

DETAILS OF YOUR **COLLECTIVE INVESTMENT BOND**

POLICY TERMS AND CONDITIONS
(REF CIB4)

i This document was last reviewed in April 2013. Please confirm with your financial adviser that this is the most up-to-date document for your product or servicing needs.

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TERMS APPLICABLE TO COLLECTIVE INVESTMENT BOND (REF CIB4)

PART A – PRELIMINARY CONDITIONS

1. THE COLLECTIVE INVESTMENT BOND CONTRACT

- 1.1 The Collective Investment Bond is a whole of life assurance policy providing benefits on the death of the Relevant Life Assured as described in Term 4.2.
- 1.1.1 This document called the '**Terms**' contains full details of the Policy. It spells out the commitments and rights of both of us as the parties to the contract in this and the following sections (each called a '**Term**').
- 1.2 The Terms applicable to your contract are:
- 1.2.1 Part A the Preliminary Conditions; and
- 1.2.2 Part B the Special Conditions applying to Whole of Life Assurance Policies; and
- 1.2.3 Part C the Special Fund Conditions applying to Collective Investment Bond Policies; and
- 1.2.4 Part D the General Conditions applicable to all Policies.
- 1.3 Your bond is issued in the form of a single Policy or a number of separate Policies, known as a 'Cluster of Policies' or 'Cluster Policies' each representing an equal proportion of your bond. You may specify in your application the number of Policies to issue. These Terms apply equally to each of the Policies. If you have not specified the number of Policies to issue, 12 Policies will be issued. For our administrative convenience we may stipulate that all the Policies are dealt with in the same way for some transactions.
- 1.4 No Term can be varied or waived in any way unless we evidence it by an endorsement or written communication signed by one of our authorised officials. If we have by mistake or deliberately waived the enforcement of a Term on an occasion, this does not constitute a waiver of our respective rights and obligations at any future time.

2. DICTIONARY

Some words used in the Terms have a special meaning and to help you we explain here those which appear most often. We show them in bold type. We explain other words which appear less often where they first appear or are most relevant. They also appear there in bold type. Any defined words (other than personal pronouns) are shown with the first letter capitalised.

- 2.1 **We, us** and **our** mean Old Mutual International Isle of Man Limited.

You, your and **the Policyholder** mean the other party to this agreement when the contract is made. It also means a person or persons who become the Policyholder in the future by legal transfer of ownership of the Policy or by becoming the legal representative to the estate of the Policyholder on death.

- 2.2 **Actuary**

Our officer who has legal responsibilities concerning our sound and prudent financial management. He also has a professional duty to consider the interests of all of our policyholders.

Allocated Units or Units

The notional shares in the Assets of the Portfolio Fund as explained in Term 5. They are allocated when you pay a Premium.

Allocation Percentage

The percentage of the Premium used to calculate the number of Units allocated to your Policy each time you pay a Premium.

Assets

The various types of assets described in Term 8 which may be assets of the Portfolio Fund.

Charges Schedule

The schedule issued by us for your Policy showing the Portfolio Fund Charges that apply. For our administrative convenience we may issue one Charges Schedule showing all of the Portfolio Fund Charges for a Cluster of Policies.

Contract Date

The date the contract for your Policy started, which we confirm in our letter accepting your application.

Death Benefit

The amount payable following the death of the Relevant Life Assured.

Deposit Fund

An Internal Fund in the Policy Currency or if we do not maintain an Internal Fund in that currency then the sterling Deposit Fund. In this latter case you should be aware that a currency conversion will be required which will expose you to exchange rate fluctuations. Such conversions will be at the prevailing market rate provided to us by an external service provider.

Head Office

Our office in the Isle of Man.

Life Assured

The person or persons named in the Schedule.

Notification Date

The Working Day following the Working Day we receive your written communication at our Head Office (or the Working Day we are deemed to have received notification under Term 23.1.4(b)).

Policy

One or more of the Policies, a 'Cluster of Policies' or 'Cluster Policies' issued to you following our acceptance of your application for your Collective Investment Bond.

Policy Anniversary

Any anniversary of the Policy Date.

Policy Currency

The currency shown in the Schedule in which the Quarterly Valuations are reported and benefits are payable.

Policy Date

The nominal date shown in the Schedule.

Portfolio Fund

A separate identifiable account forming part of our long-term business fund as required by Isle of Man legislation kept by us for calculating benefits and Portfolio Fund Charges under your Policy. The Portfolio Fund contains one or more Assets as explained in Term 5.1.

Portfolio Fund Charges

The various charges for managing the Portfolio Fund and a Policy as explained in Term 19 and the Charges Schedule.

Premium

Any payment you request to pay to your Policy and we accept.

Quarter

The period commencing on 1 January, 1 April, 1 July and 1 October.

Quarterly Date

The last Working Day of March, June, September and December being the normal quarterly Valuation Dates for the Portfolio Fund.

Quarterly Valuations

Valuations as at the Quarterly Dates.

Schedule

The Schedule issued by us for your Policy. It shows the Policy number and the personal details about the Policy. For our administrative convenience we may issue one Schedule for a Cluster of Policies, showing all of the Policy numbers.

Surrender Value

The value of the Allocated Units at the Selling Price less any outstanding charges including any Early Withdrawal Charge. Surrender Value is sometimes also known in other documents as the 'encashment value'.

Third-Party Agent Charges

Charges for providing services to the Portfolio Fund by third parties as illustrated in Term 20.

Transaction Accounts

Accounts we keep to simplify buying and selling of Assets for your Portfolio Fund. They are also used for payment of benefits and Portfolio Fund and Third-Party Agent Charges.

Valuation Date

A Working Day on which we value the Assets of the Portfolio Fund to calculate the price of Units. The 'Final Valuation Date' is the date that we calculate the final value on the contract ending by death or total surrender.

Working Day

This is a day on which we are open for business at our Head Office.

- 2.3 If the meaning of a word is explained in the singular in Term 2.2 (or elsewhere in the Terms in bold type) then it includes the plural of that word and the converse and the masculine or the feminine gender includes all genders.

3. WHAT ARE YOUR COMMITMENTS AND WHEN DOES THE CONTRACT START?

- 3.1 You agree to pay us a Premium in return for the benefits provided by us under the Policy.
- 3.2 The Policy provides for payment of a Death Benefit of 101% of the Surrender Value. We make no explicit charge for providing this increased value of 101%.
- 3.3 If we accept your application, and we have received the Premium and any other information or items from you, then the contract will start on the date that we make that acceptance at our Head Office.
- 3.4 We may need further information or items from you (for example proof of identity or payment of the Premium). If this is received within the time limit stipulated and satisfies our reasonable requirements (which include our having sufficient information to identify any Premium payment) then the contract will start:
- 3.4.1 on the Working Day that we receive the last of the information or items to our reasonable satisfaction at our Head Office by post as provided by Term 23.1.4. If it is received later or by other means then the provisions of Term 23.1.4(b) will apply to decide the start date; or
 - 3.4.2 on the Working Day that we know the Premium (if that is the last item) has been credited to our bank account.

- 3.5** We will then credit the Premium to the Transaction Account and advise you in writing of the Contract Date. The Policy will have no value and no benefit will be payable until the Contract Date.
- 3.5.1 If you have chosen a Policy Currency which is different to the currency in which your Premium is paid then we will credit the Premium to a Transaction Account in the currency in which your Premium is paid.
- 3.5.2 If we have to convert the Premium to another currency to purchase Assets then you should be aware that a currency conversion will be required which could expose you to exchange rate fluctuations. Such conversions will be at the prevailing market rate provided to us by an external service provider. These rates are available on request.
- 3.6** We may agree to payment of all or part of your Premium by a transfer into our ownership of units or shares in an Asset. The Premium will (subject to Term 3.7 below) be the value received by us after deduction of all direct and indirect expenses and taxes of the transaction. Such a transfer is a disposal by you of those Assets.
- 3.6.1 The contract will then start on the Working Day that we receive at our Head Office information to our satisfaction that all necessary steps have been carried out to transfer the legal ownership to us.
- 3.6.2 However, if transfer to us of the legal ownership of all the units or shares does not take place at the same time then provided:
- (a) the net value of the units or shares first transferred into our ownership is at least equal to our minimum Premium, we may accept that amount and start the contract.
- 3.6.3 We will treat the net value of any later transfer of ownership as an additional Premium as described in Term 3.7 below.
- 3.6.4 If the value transferred is less than our minimum stipulated Premium (or additional Premium) then we will normally hold it to your credit until the values transferred do meet our minimum stipulated Premium or additional Premium as appropriate.
- 3.6.5 We will not credit any interest to the value.
- 3.6.6 This Term 3.6 will not apply to Assets transferred to our ownership where they are already under the control of a third-party custodian as described in Term 7.
- In that event the Premium will not be considered as paid until the provisions of Term 3.6.1 above applies to all the Assets. However, if the Assets include cash then we may exceptionally agree to apply the provisions of Term 3.6.2(a) above to that cash amount only.
- 3.7** You may offer to pay additional Premiums subject to our acceptance which includes our confirmation of the amount of the Allocation Percentage that should apply, and to our minimum Premium stipulation at the time for a Policy or a Cluster of Policies.

PART B – SPECIAL CONDITIONS APPLYING TO WHOLE OF LIFE ASSURANCE POLICIES

4. WHAT BENEFIT IS PAYABLE ON DEATH?

4.1 Dictionary

'**Notification Date**' in this Term only, means the Working Day following the Working Day we receive written communication of the death of the Relevant Life Assured at our Head Office (or the Working Day we are deemed to have received notification under Term 23.1.4(b)).

4.2 '**Relevant Life Assured**' means where there is a single Life Assured named in the Schedule that Life Assured, or where there are two or more Lives Assured named in the Schedule then the last of the Lives Assured to die.

4.3 Death Benefit

If the Relevant Life Assured dies a Death Benefit will become payable provided the Policy has not been surrendered. The Death Benefit will be 101% of the Surrender Value.

4.4 We will give instructions to sell the Assets following the Notification Date. The Death Benefit will be calculated on the Final Valuation Date that the last of the Assets have been realised and credited to the Transaction Account and we will cancel the Allocated Units. However, where the provisions of Term 4.7 apply to all or some of the Assets then calculation of all or part of the Death Benefit will be deferred in accordance with the provisions of that Term.

4.5 Proof of death and title

4.5.1 We will pay the Death Benefit following receipt of our reasonable requirements including proof of the title of the Policyholder to the Policy and of the death of the Relevant Life Assured. These requirements may also include return of the Schedule.

4.5.2 Any expenses incurred in providing us with the proofs needed by Term 4.5.1, including any for notaries, translating documents or other fees, are payable by the person claiming the Death Benefit.

4.6 We will pay interest on the Death Benefit.

4.6.1 We calculate the interest we will pay using any difference in the Selling Price of units in the Deposit Fund on:

(a) the Notification Date; and

(b) the Working Day on which we agree to make payment and calculate the benefit payable.

4.7 What happens if Assets cannot be sold?

4.7.1 It may not be possible to sell or dispose of Assets because of a situation such as referred to in Term 16 happening or because an Asset is valued less often than daily as explained in Term 10.2. In that case the Death Benefit, which is a capital sum, may be payable in one or more instalments.

(a) The first instalment will be for the value of the Assets which can be sold as though they were the only Assets for Term 4.4; and

(b) a further instalment or instalments will be made when the remaining Assets have been sold.

(c) In such circumstances, if it is not possible to sell any of the Assets, payment of the Death Benefit will be deferred until we are able to pay either the whole Death Benefit or the first instalment as described in Term 4.7.1 above.

4.8 Payment by transfer of Assets to the Policyholder

4.8.1 If we require and with your consent, including where Term 4.7 applies, then payment of all or part of the Death Benefit will be satisfied by transfer to the Policyholder of ownership of Assets linked to the Policy.

4.8.2 The Policyholder may also ask us to consider making payment of all or part of the Death Benefit by such transfer of ownership.

(a) If we agree to your request then we will also agree a value for those Assets (taking into account any associated costs of the transfer and any outstanding Portfolio Fund Charges).

(b) If necessary we will sell Assets to pay for the costs and outstanding Portfolio Fund Charges, for example the Early Withdrawal Charge, out of the Assets to be transferred.

4.8.3 This Term 4.8 does not apply to Assets in our Internal Funds.

4.9 If there are any Units standing to the credit of the Policy in the Fixed Account then their value will also become payable on the death of the Life Assured.

4.9.1 This part of the Death Benefit will be 100% of the value of the Units in the Fixed Account.

4.10 On payment of the Death Benefit no further benefit will be payable under the Policy.

PART C – SPECIAL FUND CONDITIONS APPLYING TO COLLECTIVE INVESTMENT BOND POLICIES

5. WHAT ARE THE PORTFOLIO FUND AND UNITS, AND WHO OWNS THEM?

- 5.1 The Portfolio Fund contains one or more Assets chosen by you or your Fund Adviser. You legally own the Policy. To enable us to calculate the benefits and charges under your Policy we create notional Units. The Allocation Percentage of your Premium is applied to notional Units in the Portfolio Fund. Each Unit represents a proportionate share of the value of the Assets. You have no legal or beneficial interest in the Units of the Portfolio Fund or any underlying Assets which remain our property.
- 5.1.1 The exercise of any right arising out of the ownership of any particular Asset will be at our sole discretion.
- 5.2 The number of Allocated Units will increase if you pay a further Premium, and will decrease if we cancel Units to pay benefits under your Policy. We calculate the price of those Units at the Contract Date and after that by reference to each Quarterly Date and the Final Valuation Date. The price determines how many Units are allocated to your Policy when you pay a Premium and how many Units are cancelled when we pay benefits. We reserve the right to calculate the price of such notional Units more frequently than quarterly.

6. APPOINTMENT OF A FUND ADVISER

- 6.1 Dictionary
- 'Fund Adviser'** means a person or firm which provides investment advice to you or is able to act on your behalf under a discretionary mandate; and gives investment instructions to us and satisfies the requirements of Term 6.3. Where Fund Adviser is referred to elsewhere in the Terms it is only applicable if a Fund Adviser has been appointed by you.
- 6.2 Appointment of a Fund Adviser
- 6.2.1 If you wish to appoint a Fund Adviser then terms of business will normally need to be agreed between you and the Fund Adviser. Any fees for such service are personal to you and cannot be charged against the Portfolio Fund. You may request payment of such fees by part surrender from your Policy including by regular withdrawals. If you have granted the Fund Adviser a discretionary mandate then it is on the express understanding that you retain full responsibility for the acts or omissions of the Fund Adviser.
- 6.3 We may require the Fund Adviser to confirm they are regulated by any appropriate regulatory authority and have any qualifications required by law or regulation for the activity to be carried out. If we require such confirmation it is to enable us to comply with our regulatory duties as an authorised insurer in the Isle of Man. It is not and should not be construed as any endorsement of a Fund Adviser by us, and we do not warrant your Fund Adviser's suitability or regulatory credentials. You may need to complete documentation which delegates your powers to the Fund Adviser.
- 6.4 Where the Authorised Custodian facility is used together with the Dealing Desk as described in Term 7 then a Fund Adviser may also be appointed.
- 6.5 We will act exclusively on a discretionary mandate once granted until we are advised by you in writing at our Head Office of its termination. Termination will not affect any transactions already carried out or for which binding instructions have been given directly or indirectly.
- 6.6 If we become aware that a Fund Adviser:
- 6.6.1 has been refused membership by, or has been expelled from, a professional organisation; or
- 6.6.2 is under investigation by, or has been the subject of disciplinary action by, a regulatory authority; or
- 6.6.3 has carried out or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
- 6.6.4 ceases to hold the necessary authorisation due to change of law or regulation; then we reserve the right to cease to act on the instructions of the Fund Adviser with immediate effect and we will advise you of that fact.
- 6.7 In the event of your death any appointment of a Fund Adviser will automatically terminate.

7. AUTHORISED CUSTODIAN ACCOUNT FACILITY (ONLY PERMITTED WHERE NO INTERNAL FUNDS ARE TO BE CHOSEN)

- 7.1 Dictionary
- 'Authorised Custodian'** means a professional banker or other organisation which is authorised, where appropriate, by its regulator to provide custodian and depository services and which we have authorised.
- 'Dealing Desk'** means the appropriate department of the Authorised Custodian (or a separate legal entity) with which we have entered into a contract to provide investment dealing services on our behalf. We will also require the Dealing Desk to take responsibility for ensuring that the Portfolio Fund does not invest in Assets of types we advise are not permitted nor become used for non-permitted purposes.
- 7.2 You may request us to consider the appointment of an Authorised Custodian instead of our normal custodian together with delegation of our internal dealing desk activity to the Dealing Desk, subject to such due diligence and terms of business as we consider prudent and appropriate. If we agree to such request then you or the Fund Adviser will give investment instructions to the Dealing Desk and not to us. Any instructions sent to us will not be actioned. The Authorised Custodian will then make all necessary arrangements for safe custody and release from custody of our Assets to carry out the transactions.
- 7.3 The Dealing Desk and Authorised Custodian must be acceptable to us and be suitable for Isle of Man regulatory purposes. The Assets must be held in such a way that they are protected from any creditors of ours and cannot be used for any purpose other than to:
- 7.3.1 buy other Assets for the Portfolio Fund; or
- 7.3.2 enable us to pay or to authorise the payment of Portfolio Fund Charges and the costs of custodianship and other charges and expenses of the Portfolio Fund; or
- 7.3.3 to pay benefits

- 7.4 The Authorised Custodian's normal charges will be debited to the Portfolio Fund on the Valuation Date unless debited to the Transaction Account earlier.
- 7.5 In the event of your death then any delegation to an Authorised Custodian and Dealing Desk will terminate subject to completion of any outstanding transactions.

8. WHAT TYPES OF ASSET CAN BE INCLUDED IN THE PORTFOLIO FUND?

8.1 Dictionary

'Bank Deposit' means a bank or similar deposit whether instant access, on notice, or for a fixed term which falls within the property category 5 of section 520 of the UK Income Tax, Trading and Other Income Act 2005 or any successor legislation.

'Internal Fund' means any one of the funds we make available to one or more classes of policyholder and which fall within property category 1 of section 520 of the UK Income Tax, Trading and Other Income Act 2005 or any successor legislation.

'External Fund' means an investment fund established by an investment management organisation as a collective investment scheme for investors, and which falls within property categories 2 to 7 of section 520 of the UK Income Tax, Trading and Other Income Act 2005 or any successor legislation, being respectively UK authorised unit trusts, UK authorised investment trusts, UK open-ended investment companies (OEICs), or similar interests in external funds taking effect under law of a territory outside the UK and in addition policies and contracts issued by life assurance companies.

8.2 Internal Funds

- 8.2.1 Your Portfolio Fund may include units in one or more of our Internal Funds provided the value at outset of the units in any fund is at least of the minimum value we stipulate at that time.
- 8.2.2 We may keep, create and close Internal Funds at our sole discretion.

8.3 Bank Deposits

- 8.3.1 Your Portfolio Fund may include a Bank Deposit provided the value is at least of the minimum we stipulate at the time.
- 8.3.2 At your request, we may grant you access to deposits from several banks or other deposit-taking institutions. If your request is for a deposit with a particular rate with an institution you should be aware that as interest rates are subject to frequent variation we will place the deposit at the prevailing rate with that chosen institution. This may be lower or higher than the rate requested. We will not consider rates that may be available with other institutions. We offer any such accounts on the express understanding that we do not give investment advice and it is for you or your Fund Adviser to decide which if any are suitable to your circumstances.
- (a) Institutions may refuse a request or impose early withdrawal charges if money is withdrawn from an account before the expiry of a fixed term or without providing the required advance notice. If you request us to invest into these deposits then we will deduct any such charge imposed by the institution on withdrawal from your Portfolio Fund.

- 8.4 To avoid the need for us to have to sell other Assets perhaps with disproportionate costs of sale, your Portfolio Fund should include a credit balance in liquid Assets such as either a credit balance in the Transaction Account, an instant access or short notice Bank Deposit, or in the Deposit Fund to simplify payment of Portfolio Fund Charges. In addition such a balance will simplify the funding of Third-Party Agent or other Charges and payment of any regular withdrawals. An Investment Dealing Charge as described in Term 19.2 will apply in respect of the sale from Bank Deposits or Units in the Deposit Fund.

8.5 External Funds

- 8.5.1 Your Portfolio Fund may include units or shares in an External Fund provided that the value at outset of the units or shares in any fund is at least of the minimum value we stipulate at the time, and/or that of the external institution which may be higher.
- (a) Normally any dividends will be reinvested into the same Asset and any residual cash amount from the dividend will be either held in the Transaction Account or to our credit in a non-interest bearing account by the nominee holder of the Asset.
- 8.5.2 We or the Dealing Desk reserve the right to decline to accept any proposed External Fund as an asset of the Portfolio Fund and do not have to give a reason for our decision.

- 8.6 If you or your Fund Adviser request us to purchase an Asset which we do not currently hold or have never previously reviewed within our long-term insurance funds then we will carry out an asset review.

- 8.6.1 An asset review will normally be completed within two Working Days.
- (a) If that review takes longer than two Working Days then we will advise you of that fact.
- 8.6.2 Our carrying out such a review is solely to satisfy ourselves that the Asset is acceptable for Isle of Man regulatory purposes and our own administrative requirements. It is not and should not be construed as any endorsement of an Asset by us.
- 8.6.3 If this is your first Asset choice then an amount equal to the relevant proportion of the Allocation Percentage will be retained in the Transaction Account until completion of the review.
- 8.6.4 If you or your Fund Adviser request(s) a sale of an Asset to purchase another Asset which requires us to carry out an asset review, then we will carry out the sale at the next dealing time administratively available to us following receipt of your dealing instruction unless you advise us to the contrary. We will hold any sale proceeds in the Transaction Account until completion of the review.
- 8.6.5 If the asset review identifies that the Asset is not acceptable to us then we will advise you of that and you should give us alternative instructions.
- 8.6.6 We accept no liability for economic or other loss occasioned by our exercising this right to carry out an asset review in good faith.

8.7 Transaction Account

- 8.7.1 Where the Authorised Custodian facility applies we will credit an amount equal to the Allocation Percentage of all Premiums to the Transaction Account before we transfer those payments to the Authorised Custodian. In all other circumstances, we credit the Allocation Percentage of all Premiums and proceeds of sale of Assets to the Transaction Account together with any dividend or interest income received except for any realisation of Assets in order to pay the Death Benefit. We expect to receive prompt investment instructions for any such amounts.

- 8.7.2 The Transaction Account applicable to your Policy will be in the Policy Currency. If you pay a Premium, or the Portfolio Fund includes Assets denominated in other currencies, then we will also use Transaction Accounts in the applicable currencies for those transaction purposes only.
- 8.7.3 Any Transaction Account credit or debit balance applicable to your Policy is an Asset within your Portfolio Fund. It is invested in accordance with our Treasury policy available on request. You accept this investment risk by holding this Asset.
- 8.7.4 We debit all amounts for payments of
- benefits (including amounts transferred to the Fixed Account); and
 - buying of Assets; and
 - Portfolio Fund Charges and Third-Party Agent Charges; to the Transaction Account.
- 8.7.5 Interest will not be credited for any cash balance in the Transaction Account, nor overdraft interest charged on any overdrawn debit balance in the Transaction Account.
- 8.7.6 As indicated in Term 8.4, your obligation is to ensure we are able to pay any Portfolio Fund Charges or Third-Party Agent Charges outstanding at the Quarterly Date by there being sufficient cash in liquid Assets such as within the Transaction Account, an instant access or short notice Bank Deposit, or the Deposit Fund.
- In the unlikely event that the outstanding charges exceed any available liquid Assets, then this may result in a debit balance. It is your obligation to provide us with instructions to repay the overdrawn debit balance at the earliest opportunity after you receive a valuation statement showing a debit balance.
 - If you do not meet the obligation detailed in Term 8.7.6(a), then we may on giving 30 days' notice in writing sell Assets to repay the overdrawn debit balance. They will be sold in the same manner as for a part surrender as described in Terms 17.2.4 and 17.2.5.
- 8.8 We reserve the right to dispose of any Asset if we have reasonable grounds to consider that it is no longer suitable to be held within a life assurance policy. We may also do so if we become aware for example that it ceases to be considered suitable by a relevant regulatory authority, for example if it ceases to be a permitted investment within the UK Income Tax, Trading or Other Income Act 2005 (for example an authorised unit trust ceasing to be authorised).

9. CLOSURE, MERGER OR OTHER TERMINATION OF AN INTERNAL OR EXTERNAL FUND

- 9.1 Where we consider that it is in the interests of policyholders generally (or circumstances outside our control dictate), we may close an Internal Fund to further investment from policyholders by way of Premiums or dealing instruction. In that case the fund will remain one of the Assets unless a dealing instruction is provided by you or your Fund Adviser.
- 9.2 We may terminate an Internal Fund for all unit holders. An example of this could be where we consider it to be uneconomic to continue to operate a fund.
- We may merge two or more Internal Funds where we (or a manager of an underlying External Fund into which the fund invests) consider it to be appropriate and economic.
 - Except where the circumstances are outside our control, we will give you notice of the impending closure, merger or other termination including the reason for taking such action and, where we consider it appropriate and reasonable, details of an alternative fund. One or more other Internal Funds or other Assets may then be chosen as described in Term 13.2. If no choice is made we will hold the proceeds from the closure or other termination of an Internal Fund in either the Deposit Fund or such alternative fund that we have detailed in our notice to you.
- 9.3 The provider of an External Fund may impose similar terms about closure, merger or other termination. These conditions will be outside our control, although we will advise of any such action as soon as practical after we are advised of it.

10. FUNDS AND BANK DEPOSITS WITH SPECIAL CONDITIONS

- 10.1 Some External Funds and Bank Deposits may impose a minimum investment amount which is higher than that imposed by us for individual holdings of Assets. These requirements may also mean that such an Asset will have to be sold if the value reduces below the provider's then minimum value. We accept no responsibility for the results of such action and will hold any sale proceeds in the Transaction Account until you give us alternative instructions.
- 10.2 We may allow External (or Internal) Funds which are valued less often than daily or which may exist for a fixed duration. We may also allow Bank Deposits of a fixed duration. This may result in transactions for the sale (including transfers to the Fixed Account) and sometimes buying of such Assets being delayed. If you request us to invest in these Assets then you accept such delays.
- The Portfolio Fund cannot consist solely of such funds as that would mean we would be unable to deduct the value of any Portfolio Fund Charges or any Third-Party Agent or other charges required by these Terms. In particular you should maintain a cash balance in liquid Assets such as the Transaction Account, an instant access or short notice Bank Deposit, or in the Deposit Fund. An Investment Dealing Charge as described in Term 19.2 will apply in respect of the sale from Bank Deposits or Units in the Deposit Fund.
 - Transactions which would involve an early sale of such Assets can only be allowed if the provider agrees. This may incur a redemption penalty and so reduce the value of the Portfolio Fund and the amount available to you.
- 10.3 We may allow Assets which advertise guaranteed returns or an element of capital protection. You or your Fund Adviser should satisfy yourselves of the likelihood of the guarantee or capital protection being met. We accept no responsibility for, and offer no advice about, the value of any such guarantee or capital protection.
- 10.4 We or the Dealing Desk may also allow investment into funds which are commonly referred to as 'experienced', 'professional' or 'qualifying investor' funds. Such funds are not intended for retail sale to private investors unless they meet strict financial criteria. However, by investing indirectly through an insurance policy the investor into the fund is the assurance company and so is a professional investor.
- Such funds by their nature usually involve a high degree of risk and often have a minimum investment duration.

- 10.4.2 It is normal for the provider to insist on the investor confirming the risks are understood before allowing the investment to be made. We accept no responsibility if investment into such a fund is chosen and you should obtain all relevant documentation.
- 10.4.3 Investment into such a fund is subject to the condition that the provisions of Term 11 apply so that you accept the investment risk and in addition:
- (a) you have read the prospectus and risk warnings issued by the provider, including any disclaimer they require a professional investor to sign, and you accept those added risks; and
 - (b) you understand that there may be a significant redemption penalty should you wish to surrender the Policy, should the Death Benefit become payable or if you ask us to realise the particular fund within the stipulated minimum investment period.
- 10.5 Although we may allow Assets described in Term 10.2 to 10.4, it is for you or your Fund Adviser to ensure that the Portfolio Fund is invested in Assets so as to enable prompt and adequate realisation in order to pay for Portfolio Fund Charges. We do not undertake to monitor this in any way and can accept no responsibility for any failure to pay Portfolio Fund Charges in a timely manner for any such reason.

11. INVESTMENT RISKS AND RESPONSIBILITIES

- 11.1 You accept the investment risk.
- 11.1.1 We accept no responsibility for the investment performance of an Asset. The value of shares and Units can fall as well as rise and they, as well as Bank Deposits and any balance in the Transaction Account, could in exceptional circumstances become valueless either temporarily because of suspension, or permanently. In the event of the insolvency of the Authorised Custodian, any cash held by them may be at risk. You accept these risks by taking out this Policy.
 - 11.1.2 You and your Fund Adviser decide the investment objectives and risk profile of the Portfolio Fund.
 - 11.1.3 We do not give investment advice. The fact that we may allow or refuse a particular External Fund or Bank Deposit as an Asset does not indicate any judgement by us about its investment potential or the propriety of the provider of the asset.
 - 11.1.4 There are no investment guarantees associated with the Internal Funds. In particular there is no guarantee of return of capital, so you may receive back less than you have paid. However, we may provide Internal Funds which offer a guaranteed return at some future date.
 - 11.1.5 By asking us to include an Asset in your Portfolio Fund, you or your Fund Adviser expressly agree to accept the risk that, for any reason whatsoever, management of the Asset may not be in accordance with its objectives and parameters. This includes negligent and fraudulent activity. In addition you accept any risk entailed in any change to such objectives and parameters and that it is your personal responsibility to monitor the fund or deposit to the extent you or your Fund Adviser consider necessary.
- 11.2 We have no responsibility for management of the chosen Assets other than Internal Funds which are invested in accordance with the criteria as published in the relevant fund factsheet, and carrying out the Treasury function in respect of the Transaction Account.
- 11.2.1 The provider of a collective investment scheme controls the investment policy of an External Fund as does the provider of a Bank Deposit.
 - 11.2.2 Our agreeing to your request to allow inclusion of an External Fund or a Bank Deposit in your Portfolio Fund does not constitute acceptance of any degree of responsibility by us for the proper management of such Assets.
 - 11.2.3 Responsibility for all matters of management including the appointment and supervision of any administrator and compliance with the stated investment objectives lies with the manager of that fund or deposit and we have no control whatsoever over his actions or omissions and no monitoring duty.

12. HOW MUCH OF A PREMIUM IS ALLOCATED TO UNITS AND HOW ARE INVESTMENTS BOUGHT?

- 12.1 The Allocation Percentage is shown in the Schedule, or for additional Premiums it is shown in our letter accepting the additional Premium.
- 12.2 Each time you pay a Premium we multiply it by the Allocation Percentage applicable to that Premium to calculate the amount used to buy Assets for the Portfolio Fund.
- 12.3 We use the expressions 'buy', 'purchase' and 'sell' in these Terms because they are easy to understand. However, they do only refer to buying and selling by us (or the Dealing Desk on our behalf where Term 7 applies) for our funds and not any actions by you or your Fund Adviser.
- 12.4 Where the Authorised Custodian facility applies we will credit that amount to the Transaction Account before we transfer it to the Authorised Custodian. In all other circumstances, we credit that amount to the Transaction Account to buy your chosen Assets at the appropriate price for that Asset. We will then debit the Transaction Account with the costs of the transaction.
- 12.4.1 For both Internal and External Funds, where reasonably practical, instructions given to us to purchase will be placed on the first dealing date administratively available to us following the Contract Date or your, or your Fund Adviser's, request to change Assets. In exceptional circumstances, for example where we receive high volumes of transactional requests, this may mean that we are unable to process all policyholder instructions before a dealing cutoff point. However, we will process requests in the order they are received by us and in any event this will be within five Working Days of the Contract Date or your, or your Fund Adviser's, request to change Assets. If we have not completed an asset review as described in Term 8.6, then an amount equal to the relevant proportion of the Allocation Percentage will be retained in the Transaction Account until completion of the asset review. If the asset review identifies that the asset is not acceptable to us then we will advise you of that and you should give us alternative instructions.
 - 12.4.2 If you or your Fund Adviser choose an Internal or External Fund which is valued less frequently than daily then an amount equal to the relevant proportion of the Allocation Percentage will be retained in the Transaction Account until the date we are able to purchase the Asset or money is required by the external fund manager or their asset administrator (where the money is required by them prior to any purchase).

13. HOW CAN YOU CHOOSE AND CHANGE INVESTMENTS?

13.1 Dictionary

'Market Timing' means a dealing or fund switching strategy with the intention of anticipating short-term changes in the market price of units or shares. This also includes situations where the Policyholder or Fund Adviser seeks to exploit a fund whose prices does not take account of the most recently available data, and where the Policyholder or Fund Adviser makes use of a short-term trading strategy to take advantage of anticipated future market movements.

13.2 Making your first Asset choice

- 13.2.1 You can request in your application (or other communication acceptable to us) the Assets you have chosen, and how much of the Allocation Percentage is to be allocated to each Asset.
- 13.2.2 On the Contract Date we must allocate all relevant amounts to the Transaction Account or Authorised Custodian if applicable to buy Assets for the Portfolio Fund.
- 13.2.3 Within your Cluster of Policies the Assets will be allocated proportionately to each Policy subject to any rounding adjustment.
- 13.2.4 If we are unable to buy any of your chosen Assets, then the relevant amount will be held in the Transaction Account unless you or your Fund Adviser give(s) us alternative instructions. This may happen if your selection is illegible, ambiguous, conflicting or unclear in any way to us, or the Asset name you have selected does not exist, or if a situation such as referred to in Term 16 applies.

13.3 Changing the Assets

13.3.1 Instructions to the Dealing Desk

- (a) You or your Fund Adviser may request to change the Assets by giving instructions to the Dealing Desk.
- (b) The Dealing Desk will normally only buy an Asset if there is enough cash balance to fund the transaction and to pay any related direct and indirect expenses, taxes and any associated currency transactions; or there is a simultaneous sale of an Asset which provides enough cash.
- (c) The Dealing Desk will hold the proceeds of sale after all direct and indirect expenses and taxes of the sale and any associated currency transaction.
- (d) If instructions to sell Assets have a higher value than instructions to buy, any balance of proceeds of transactions will be held as cash. It is your or your Fund Adviser's responsibility to ensure that prompt dealing instructions which account for the full value of the Assets are provided, unless this is being used to meet your obligations in Term 8.7.6. Any credit balance will be shown in the next valuation statement issued following the Quarterly Date.
- (e) If all or any part of the instruction from you or your Fund Adviser to buy or sell an Asset is illegible, ambiguous, conflicting or unclear in any way to the Dealing Desk, or the Asset name does not exist, or if a situation such as referred to in Term 16 applies, then the Dealing Desk will not act on the instruction and will use their best efforts to advise you of that. We or the Dealing Desk can accept no responsibility for the effects of any delay or failure to carry out all or part of a transaction in such circumstances.

13.3.2 Instructions to us

- (a) Where Term 13.3.1 does not apply then a dealing instruction form (or other communication acceptable to us) should be completed by you or your Fund Adviser and provided to us. For the purposes of Term 13.3.2 only, instructions by facsimile transmission are permitted. Transmissions by you or your Fund Adviser of a facsimile will not be proof of receipt by us, irrespective of any transmission confirmation at the sender's location, and you should be aware that unless you ask us to acknowledge receipt there can be no guarantee that this has been received and actioned by us. We can accept no responsibility for the effects of any delay or failure to carry out instructions in such circumstances.
- (b) We will normally only buy an Asset if there is enough cash balance in the Transaction Account, Deposit Fund or an instant access Bank Deposit to fund the transaction and to pay any related direct and indirect expenses, taxes and any associated currency transactions; or there is a simultaneous sale of an Asset which provides enough cash.
- (c) We will credit the proceeds of sale to the Transaction Account after all direct and indirect expenses and taxes of the sale and any associated currency transaction.
- (d) Where we are asked to cancel units in an Internal Fund and create units in one or more other Internal Funds then both transactions will normally be carried out on the same Working Day. We reserve the right to allocate units for the new choice of Internal Funds on the Working Day following that on which we cancel the units in the existing Internal Fund.
- (e) If instructions to sell Assets (other than Internal Funds) have a higher value than instructions to buy, any balance of proceeds of transactions will remain as a credit to the Transaction Account. It is your or your Fund Adviser's responsibility to ensure that we receive prompt dealing instructions which account for the full value of the Assets, unless this is being used to meet your obligations in Term 8.7.6. Any credit balance in the Transaction Account will be shown in the next valuation statement issued following the Quarterly Date.
- (f) If all or any part of the instruction from you or your Fund Adviser to buy or sell an Asset is illegible, ambiguous, conflicting or unclear in any way to us, or the Asset name selected does not exist, or if a situation such as referred to in Term 16 applies, then we will not act on the instruction and will use our best efforts to advise you of that. We can accept no responsibility for the effects of any delay or failure to carry out all or part of a transaction in such circumstances.

13.4 The instruction must meet our or the Dealing Desk's reasonable requirements at the time. These requirements may include a minimum value of Assets to be bought or sold.

13.5 We or the Dealing Desk reserve the right to defer a dealing instruction because of a situation such as referred to in Term 16.

13.6 Market Timing

- 13.6.1 Market Timing can be disruptive to fund management and may cause dilution in funds which is detrimental to long-term investors. We seek to monitor Market Timing and take appropriate action where such activity is identified.
- 13.6.2 In the interests of policyholders generally with units in the fund, we reserve the right to defer or decline a request, employ fair value pricing or adjust the fund pricing basis on a fund or individual transaction. This would apply where under regulatory guidelines or best market practice we reasonably consider any activity to constitute Market Timing. We accept no responsibility for any economic or other loss suffered by our exercising such right in good faith.

13.6.3 Similar rights will be reserved by the managers of underlying funds into which our Internal Funds invest and External Fund Managers. They may also impose an appropriate levy or charge which will be passed on by us to relevant policyholders within the price of Units allocated or cancelled.

13.7 Within your Cluster of Policies the Assets will be allocated proportionately to each Policy subject to any rounding adjustment.

14. WHEN AND HOW IS THE PORTFOLIO FUND VALUED?

14.1 Dictionary

'Valuation Period' means the Period up to the relevant Valuation Date since the Contract Date or the last Valuation Date.

14.2 What happens on the Contract Date?

14.2.1 We will calculate the value of your Portfolio Fund being:

- (a) the Allocation Percentage in respect of the Premium; less
- (b) any direct or indirect expenses, taxes and associated currency transactions incurred in the transfer to us of any Assets we agree to accept as a Premium payment; and
- (c) any premium tax, stamp duty or other levy imposed on life assurance policies and payable on behalf of the Policyholder.

14.2.2 We will then divide that value by the number of units of currency to arrive at the number of Units of equal notional par value.

(a) Example:

We allocate one whole Allocated Unit for each whole unit of currency based upon the Allocation Percentage. If your Premium is £150,000 then the number of Allocated Units will be 150,000. If the Allocation Percentage is 101% then the number of Allocated Units would be 151,500 and the value of each Allocated Unit at that time will be £1.00.

14.3 What happens on the Quarterly Date or the Final Valuation Date?

14.3.1 We will calculate the value of the Assets as at the Quarterly Date using the latest published prices available to us.

- (a) For Internal and External Funds we will use the latest Selling Price.
- (b) We will not be liable for any losses arising out of any incorrect or erroneous pricing of an Asset by a third party.
- (c) For Bank Deposits, we will use the latest deposit value without allowance for any interest which has not accrued.

14.3.2 We will calculate the value of the Assets at the Final Valuation Date being the realised value of the Assets less any costs of the realisation.

14.3.3 We will add to those values any credit balance in the Transaction Account and any rebate of any Internal Fund annual management charges.

14.3.4 We will deduct from that value:

- (a) a proportion of the Regular Policy Management Charge for the Valuation Period.
- (b) any other Portfolio Fund Charge which applies for the Valuation Period.
- (c) any Third-Party Agent or other Charges which have been debited to the Transaction Account during the Valuation Period.
- (d) any actual or prospective taxes, levy or other charge against the Assets or income of the Portfolio Fund for the Period, including any value added tax (VAT) for services. The share of any such tax, levy or charge debited to the Portfolio Fund will be such an amount as we consider proportionate and reasonable.

14.4 We will then divide the calculated value by the number of Allocated Units rounding the result up to four decimal places of a unit of the Policy Currency to arrive at the price of Units.

14.5 We will carry out the valuation following the Quarterly Date and will provide you with a valuation statement.

14.6 We may agree to provide a valuation statement (which will not take into account any accrual of Portfolio Fund Charges) at other times and subject to our right to impose a reasonable charge for the administrative costs incurred.

14.7 How we value an Internal Fund:

14.7.1 The value of an Internal Fund is principally derived from the valuation of the underlying assets, but will also include elements of income, cash, expenses and possibly taxation.

14.7.2 The value of assets is an amount between:

- (a) the Buying Prices of those assets (plus any associated costs of buying them) – the 'Maximum Buying Price'; and
- (b) the Selling Prices of those assets (minus any associated costs of selling them) – the 'Maximum Selling Price'.

14.7.3 Assets held in currencies other than the fund currency will be converted at prevailing currency exchange rates at the valuation point.

14.7.4 The value of an Internal Fund will include amounts relating to income in the form of dividends, distributions and interest from the underlying assets. Appropriate adjustments for income not yet received will be included within the value of the Internal Fund where they are known prior to receipt.

14.7.5 Each time an Internal Fund is valued, we will deduct from its value:

- (a) a proportion of its annual management charge; and
- (b) such amounts as we consider proper for payments and expenses incurred in the management, maintenance and valuation of the fund and its assets. These may include our administration costs, fund manager's fees, custodian fees and bank charges.

14.7.6 Appropriate expense provisions will be deducted from the value of a fund, where known, prior to the payment date of those expenses.

- 14.7.7 The price of units or shares in the underlying collective investment funds and schemes will implicitly reflect the underlying annual management charge and expenses for those assets.
- 14.7.8 We will deduct from the value of an Internal Fund, where appropriate, amounts for:
- withholding tax liabilities in respect of investment income; and
 - an amount for the share of any actual or prospective levy or other charge on the assets or income of the fund that we consider proper.
- 14.8 Calculation of Internal Fund unit prices**
- 14.8.1 We publish both Buying and Selling Prices for your funds; however, for your Policy we will allocate and cancel Units at the Selling Price.
- 14.8.2 We will calculate the Buying Price of a unit by taking the value of the Internal Fund calculated as described in Term 14.7, dividing it by the number of Units then in existence in that fund, multiplying the result by 100/93 and rounding down the result to three decimal places, which gives a Buying Price of £1.053.
- Example:
The value of the Internal Fund as described in Term 14.7 is £196,000 and the current number of Units in that fund is 200,000, then the Buying Price would be:
 $196,000/200,000 = 0.98 \times 100/93 = 1.0537634$ rounding down to three decimal places gives a Buying Price of £1.053.
- 14.8.3 We will calculate the Selling Price of a unit by multiplying the Buying Price we have calculated as described in Term 14.8.2 by 93/100 and rounding up the result to three decimal places.
- Example:
Using the Buying Price in the example in 14.8.2, the Selling Price would be:
 $1.053 \times 93/100 = £0.98$.
- 14.8.4 We will generally value our funds based on the Maximum Buying Price. We may from time to time decide in the interests of fairness to change the basis for valuing the assets, subject to the limits described in Term 14.7.2, for example where a fund has more overall client sales than purchases we may value that fund based on the Maximum Selling Price.
- 14.9 What happens if you pay a further Premium or take a part surrender?**
- 14.9.1 If we agree to accept a further Premium from you then we will create further Allocated Units based on the price of units on the preceding Quarterly Date (or the Contract Date if there is none).
- 14.9.2 If we pay you a part surrender benefit then we will cancel Allocated Units to pay the benefit based on the price of units on the preceding Quarterly Date (or the Contract Date if there is none).
- 14.9.3 Our use of the prices referred to in Term 14.9.1 and 14.9.2 are solely for our administrative convenience and will not disadvantage you in any way.
- 14.10** We reserve the right to change the Quarterly Date for administrative reasons.
- 15. SALE OF ASSETS TO PAY FOR PORTFOLIO FUND CHARGES AND PART SURRENDER BENEFITS**
- 15.1 Authorised Custodian facility and Dealing Desk**
- 15.1.1 We will advise you that we require a monetary amount shown as a debit balance in your valuation statement and so instructions as to which Assets to realise should be given by you or your Fund Adviser to the Dealing Desk.
- 15.2 Instructions to us**
- 15.2.1 Where 15.1 does not apply then we will advise you that we require a monetary amount shown as a debit balance in your valuation statement and so instructions should be given to us by you or your Fund Adviser to repay any such overdrawn balance.
- 15.3 What happens if you or your Fund Adviser fail to give instructions?**
- 15.3.1 In the event that we or the Dealing Desk do not receive instructions within any time limit stipulated, or to enable us to meet reasonable administrative standards, then we will either sell Assets or instruct the Dealing Desk to do so.
- 15.3.2 Provided there is sufficient value in liquid Assets such as the Transaction Account, Bank Deposits or the Deposit Fund then we will normally use those Assets to pay for Portfolio Fund Charges and part surrender benefits. An Investment Dealing Charge as described in Term 19.2 will apply in respect of the sale from Bank Deposits or Units in the Deposit Fund.
- 15.3.3 You may give us specific instructions to sell other Assets.
- 15.4** If we are unable to use Assets as provided by Term 15.3.2 above, then in the absence of any other instructions we will normally sell Assets which have the highest value at the current Valuation Date.
- 15.5** If we consider that selling Assets with the highest value would result in disproportionate costs of sale, or if the Asset has restricted dealing days or trading in it has been suspended then:
- 15.5.1 we will sell the Asset with the second highest value and so on.
- 15.5.2 we will not make payment of part surrender benefits until the realised amount has been credited to our bank account. We can accept no responsibility for late payment due to delay in providing us with dealing instructions in respect of the Assets to be realised, especially if they are not priced on a daily basis.
- 15.6** We reserve the right to defer a sale of the Assets because of a situation such as referred to in Term 16.

16. DEFERRAL AND DECLINATURE OF TRANSACTIONS

- 16.1** Where we consider it to be in the interests of policyholders (for example, prevailing stock market conditions) then we may defer any transaction involving the creation or cancellation of units in an Internal Fund for up to two weeks subject to Term 16.2. However, where an Internal Fund has a direct or indirect real property element, deferral may be for a period not exceeding 12 months, subject to Term 16.2.
- 16.2** We may defer any transaction involving buying or selling an Asset to a date we consider appropriate and equitable in the circumstances, having regard to the interests of policyholders generally if:
- 16.2.1 dealings in an underlying collective investment scheme into which an Internal Fund invests or in an investment directly held by such scheme has been suspended; or
 - 16.2.2 any of the principal stock exchanges or markets on which a substantial proportion of the assets of a fund are quoted is closed, other than for ordinary holidays, or has restricted dealing; or
 - 16.2.3 we, or the manager on behalf of an underlying fund into which an Internal Fund invests:
 - (a) is unable to repatriate money to make payments following cancellation of units, or
 - (b) considers that any transfer of money to buy or sell assets of a fund or payments due on cancellation of units cannot be carried out at normal exchange rates; or
 - (c) other circumstances preclude calculating fair and accurate prices for units or any other Asset.
- 16.3** The provider of an External Fund may exercise similar rights of deferral.
- 16.4** You should be aware that for certain funds, for example property funds, the value of the assets is generally a matter of the opinion of the valuer rather than fact.
- 16.5** Where we consider that a transaction in one of our Internal Funds would adversely affect the interests of policyholders with units in the fund then we reserve the right to decline to carry out the transaction without prior notice rather than defer it in accordance with Term 16.1. We accept no liability for any economic or other loss occasioned by our exercising this right in good faith.
- 16.6** The provider of an External Fund may exercise a similar right to decline an instruction from us to carry out a transaction.

PART D – GENERAL CONDITIONS APPLICABLE TO ALL POLICIES

17. CAN YOU GET MONEY OUT OF YOUR POLICY?

17.1 Total surrender of one or more Cluster Policies

- 17.1.1 You can surrender one or more Policies and receive the Surrender Value.
- 17.1.2 To ensure that transactions and Policies remain economically viable, we stipulate a minimum value of a Policy or Cluster of Policies. If at any time the Surrender Value of your Policy or Cluster of Policies falls below our minimum published value for a Policy or Cluster of Policies, including where your request to Surrender a Policy would result in the value of the remaining Cluster of Policies being less than our current published minimum value at the time to maintain a Policy or Cluster of Policies, then we reserve the right to automatically surrender your Policy or Cluster of Policies unless you offer to pay an additional Premium, subject to our acceptance as explained in Term 3.7.
- 17.1.3 Where reasonably practical we will give instructions (including to the Dealing Desk) to sell the Assets on the first dealing date administratively available to us following the Notification Date unless an Asset is valued less frequently than daily. In exceptional circumstances, for example where we receive high volumes of transactional requests, this may mean that we are unable to process all policyholder instructions before a dealing cut-off point. However, we will process requests in the order they are received by us and in any event this will be within five Working Days of the Notification Date.
- 17.1.4 If the Early Withdrawal Charge applies to your Policy then if the Policy is surrendered the value you receive will be reduced by any charge still applying as explained in Term 19.6.
- 17.1.5 We reserve the right to defer or decline any request for a total surrender of a Policy because of a situation such as referred to in Term 16. For example, as Assets are allocated proportionately to all Policies, if a fund is suspended then total surrender may not be possible.
- 17.1.6 On total surrender, the Policy will end and no further benefits will be payable under that Policy.

17.2 Part surrender of the Cluster of Policies

- 17.2.1 Any part surrender of your Cluster of Policies must be made by selling Assets in each of your Policies. This means that the remaining value for each of the Policies will be the same and with the same Assets (subject to any rounding adjustments). You may instead totally surrender one or more Policies.
- 17.2.2 The 'Early Withdrawal Charge' section of the Charges Schedule sets out the period (expressed as a full number of years) after payment of the Premium during which the Early Withdrawal Charge will apply. Should a part surrender take place during this period then an Early Withdrawal Charge will become payable. However, we will not impose such Early Withdrawal Charge at that time if following the surrender:
 - (a) the remaining Portfolio Fund value is equal to or more than 25% of the Premium; and
 - (b) the Surrender Value exceeds our then current published minimum value for the Policy or a Cluster of Policies.

Example:

A Premium of £300,000 is paid. A part surrender of £250,000 is requested. The Surrender Value is £420,000. The remaining Surrender Value is £170,000 which is higher than 25% of the Premium and higher than our current minimum monetary value for a Cluster of Policies. Therefore an Early Withdrawal Charge will not be imposed at the time of the part surrender.

An Early Withdrawal Charge would apply where the remaining Surrender Value was less than £75,000, but only in respect of the amount of the remaining Portfolio Fund falling below £75,000.

So if in the above example a part surrender of £370,000 was requested instead, then as the remaining Surrender Value is £50,000 an Early Withdrawal Charge would apply in respect of £25,000 (£75,000 - £50,000).
- 17.2.3 The Regular Policy Management Charge, detailed in Term 19.4, and the Establishment Charge, detailed in Term 19.3, will continue to be payable as though a part surrender had not occurred.
- 17.2.4 You should provide us or the Dealing Desk with instructions as to which Assets to realise to pay the part surrender benefit. If you do not provide us with instructions, we will normally sell assets from the Asset or Assets having the highest value at the current Valuation Date.
- 17.2.5 If we consider selling Assets with the highest value would result in disproportionate costs of sale, or if the Asset has restricted dealing days or trading in it has been suspended then:
 - (a) we will sell the Asset with the second highest value and so on.
 - (b) any instruction to sell Assets will normally be placed on the Notification Date unless an Asset is valued less frequently than daily.
- 17.2.6 We reserve the right to defer any request for part surrender because of a situation such as referred to in Term 16.
- 17.2.7 To ensure that transactions and Policies remain economically viable, if your request for a part surrender or a transfer made to the Fixed Account would result in the value of the Portfolio Fund being less than 5% of the Premiums paid or our then current published minimum value at the time for maintaining a Cluster of Policies, then we reserve the right to automatically surrender your Policy or Cluster of Policies unless you offer to pay an additional Premium, subject to our acceptance as explained in Term 3.7.

17.3 Regular withdrawals

- 17.3.1 Subject to all the provisions of Term 17.2 you may also ask for part surrenders to be made regularly called 'regular withdrawals'. Although such part surrenders are payments of capital, you should take advice as to whether they may be taxed as income or have other taxation disadvantages in your country of habitual residence.
- 17.3.2 Regular withdrawals may be taken on a yearly, half-yearly, quarterly or monthly basis, subject to our minimum withdrawal limit and any minimum Portfolio Fund amount at the time. Within your Cluster of Policies, part surrenders will be made from all the Policies on the same basis as described in Term 17.2.1 above. We reserve the right to amend the frequency available to meet administrative requirements at the time.

- 17.3.3 It is recommended that regular withdrawals be funded from an instant access Bank Deposit or Deposit Fund. If there is insufficient cash in the Bank Deposit or Deposit Fund then you may give instructions to sell Assets. Unless we or the Dealing Desk receive such instructions at least 30 days before a regular withdrawal payment date then we will sell Assets as provided by Terms 17.2.4 and 17.2.5 above.
- 17.3.4 We reserve the right to cancel any request for part surrender because of a situation such as referred to in Term 16.
- 17.3.5 To ensure that transactions and Policies remain economically viable, we may stop regular withdrawals if it would result in the value of the Portfolio Fund being less than 5% of the Premiums paid or our then current published minimum value at the time for maintaining a Cluster of Policies. We reserve the right to automatically surrender your Policy or Cluster of Policies unless you offer to pay an additional Premium, subject to our acceptance as explained in Term 3.7.
- 17.4** What happens if an Asset cannot be sold?
- 17.4.1 It may not be possible to sell or dispose of Assets because of a situation such as referred to in Term 16 happening. In that case if:
- (a) your request was for total surrender of one or more Cluster Policies your request will not be actioned. You may request us to consider selling any Assets which can be realised by way of part surrender and to sell the remaining Assets when they can be realised.
 - (b) you asked for regular withdrawals and there is insufficient cash in the Transaction Account, Deposit Fund or a Bank Deposit then we will normally sell Assets which have the highest value at the current Valuation Date. If we consider to do so would result in disproportionate costs of sale then:
 - (c) we will sell the Asset with the second highest value and so on.
 - (d) we will not make payment of part surrender benefits until the realised amount has been credited to our bank account. We can accept no responsibility for late payment due to delay in providing us with dealing instructions in respect of Assets to be realised, especially if they are not priced on a daily basis.
 - (e) it is not possible to sell or dispose of any Assets then regular withdrawals will be cancelled and will only be reinstated on our receiving further instructions from you.
 - (f) your request is for a part surrender other than regular withdrawals then we will not carry it out until you confirm in writing your agreement for us to sell or dispose of Assets as provided by Term 17.4.1(b).
- 17.5** Any request for a surrender is subject to our reasonable requirements including proof that the Policyholder is entitled to the Policy. These requirements may also include return of the Schedule and a surrender discharge form.
- 17.6** Surrender by transfer of Assets to you
- 17.6.1 Provided it is permitted by law and regulation, and if we require and with your consent, including where Term 17.4 applies, then payment of all or part of a surrender benefit will be satisfied by transferring the ownership of Assets linked to the Portfolio Fund to you.
- 17.6.2 You may also ask that we consider making payment of all or part of a surrender benefit by such transfer of ownership.
- (a) If we agree to your request then we will also agree a value of those Assets (taking into account any associated costs of the transfer and any outstanding Portfolio Fund Charges).
 - (b) If necessary we will sell Assets to pay for the costs and outstanding Portfolio Fund Charges, for example the Early Withdrawal Charge, out of the Assets to be transferred.
- 17.6.3 This Term 17.6 does not apply to Assets in our Internal Funds.

18. WHAT ARE THE PORTFOLIO FUND CHARGES AND HOW ARE THEY PAID?

- 18.1** The Charges Schedule which forms a part of the Policy shows the details of each Portfolio Fund Charge that may apply to your Policy.
- 18.2** All the Charges described in this and the following Term 19 are deducted in arrears from the Portfolio Fund before we calculate the unit price on the Quarterly Date unless otherwise stated. Any outstanding charge will also be deducted from the Portfolio Fund at the Final Valuation Date when we calculate the unit price to pay the benefit on termination of the Policy on death or total surrender of your Policy or Cluster Policies.
- 18.3** Your Charges Schedule will confirm which charges basis you have agreed to. If the charges basis provides that charges are based on the higher of the Premium or the Portfolio Fund value, then you should be aware that if the value of the Portfolio Fund falls below the Premium the charge will apply to the value of the Premium paid and not the lower Portfolio Fund value.
- 18.4** What happens if Assets in the Portfolio Fund cannot be sold?
- 18.4.1 There may not be enough cash in the Transaction Account, Deposit Fund or a Bank Deposit to pay the Portfolio Fund Charges. It may also not be possible to sell Units or shares in any other Assets because of a situation such as referred to in Term 16 happening. In that case the outstanding charges will be carried forward as a debit balance on the Transaction Account until Assets can be sold.
- 18.5** Investing in Internal Funds
- 18.5.1 Our Internal Funds bear their own annual management charges (both internal and those of any external fund manager). To the extent the Portfolio Fund invests in Internal Funds which are subject to this charge, then we either rebate to the Transaction Account an amount reflecting our internal annual management charge of that fund or funds, or reduce the Regular Policy Management Charge.
- 18.5.2 Many External Funds will themselves be subject to the external fund manager's own annual management charge. Deduction of that charge will be reflected in the price of that fund's units or shares before we calculate the Portfolio Fund value and Regular Policy Management Charge.

19. PORTFOLIO FUND CHARGES

- 19.1** This Term describes each charge that may apply to your Policy. If a charge applies to your Policy then it will be shown in the Charges Schedule. It will also show the amount, duration, and the basis for calculating the charge. The charge will be deducted from the Portfolio Fund unless it has been previously debited to the Transaction Account. In addition various other charges imposed by third parties may apply as explained in Term 20.
- 19.2 'Investment Dealing Charge'**
- 19.2.1 This charge applies to each transaction to buy and each transaction to sell an Asset.
- 19.2.2 The charge will not apply during the Valuation Period in which the Policy starts.
- 19.2.3 The charge will be debited to the Transaction Account in pound sterling.
- 19.2.4 For other Policy Currencies the charge will be converted from sterling into the Policy Currency using the closing market mid-rate on the previous Quarterly Date provided to us by an external service provider. You should be aware that this currency conversion will expose you to exchange rate fluctuations.
- 19.2.5 We reserve the right to amend the amount of the charge on the advice of our Actuary where it is reasonable to do so considering the administration costs incurred by us affecting the contract which are reasonable in amount and reasonably incurred. Any such change will be proportionate.
- 19.2.6 We will advise you of any amendment to this charge at the first practical opportunity.
- 19.3 'Establishment Charge'**
- 19.3.1 This charge will apply in arrears on each Quarterly Date for the number of full years shown in the Charges Schedule.
- 19.3.2 We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence during:
- (a) the Valuation Period which includes the Policy Date; and
- (b) the Valuation Period which includes the Final Valuation Date if within the period relevant to this charge.
- 19.3.3 The charge will be based on either:
- (a) the relevant Premium; or
- (b) the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium; or
- (c) the proportion of the value of the Portfolio Fund in respect of the relevant Premium.
- 19.3.4 If a part surrender is taken from the Policy or Cluster of Policies then the Establishment Charge will continue to be payable as though a part surrender had not occurred.
- 19.3.5 A separate charge will apply in respect of each additional Premium.
- 19.4 'Regular Policy Management Charge'**
- 19.4.1 One or more amounts may apply for this charge. The charge may relate to payment of a fund-based commission to your Adviser or to cover the costs of administering the fund to which your Policy is linked.
- 19.4.2 The charge will apply in arrears on each Quarterly Date for the number of full years shown in the Charges Schedule or until the Policy comes to an end, and from the date shown in the Charges Schedule.
- 19.4.3 We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence for:
- (a) the Valuation Period which includes the date this charge starts as detailed in the Charges Schedule; and
- (b) the Valuation Period up to the Final Valuation Date where the Final Valuation Date occurs during the number of full years this charge applies.
- 19.4.4 The charge will be based on either:
- (a) the relevant Premium; or
- (b) the proportion of the value of the Portfolio Fund in respect of the relevant Premium; or
- (c) the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium.
- 19.4.5 If a part surrender is taken from the Cluster of Policies then the Regular Policy Management Charge will continue to be payable as though a part surrender had not occurred.
- 19.4.6 A separate charge will apply in respect of each additional Premium.
- 19.5 'Administration Charge'**
- 19.5.1 This charge is the monetary amount shown in the Charges Schedule payable in pound sterling in arrears on each Quarterly Date (and the Final Valuation Date). This charge is not proportioned and so applies in full if the Policy has been in existence for one day or more of the Valuation Period relevant to the particular Valuation Date or Final Valuation Date.
- 19.5.2 For other Policy Currencies, the charge will be converted from sterling into the Policy Currency using the closing market mid-rate provided on the previous Quarterly Date, provided to us by an external service provider. You should be aware that this will expose you to exchange rate fluctuations.
- 19.5.3 The amount of this charge is reviewed yearly and may be altered with any amendment normally applying from 1 January each year.
- 19.5.4 When reviewing the charge we will, on the advice of our Actuary, consider any change year-on-year to the rate of Isle of Man inflation since the last amendment to the charge and to any changes in the level of the administration expenses incurred by us affecting the contract and which are reasonable in amount and reasonably incurred. Any such change will be proportionate.

19.5.5 In exceptional circumstances our Actuary may advise us that it is appropriate to review the charge immediately, taking account of the facts mentioned in Term 19.5.4 above.

19.5.6 We will advise you of any amendment to this charge at the first practical opportunity.

19.6 'Early Withdrawal Charge'

19.6.1 This charge applies on total surrender of your Cluster of Policies before they have been in existence for the complete number of years from payment of a Premium shown in your Charges Schedule. It also applies if the amount of such part surrender results in the remaining Portfolio Fund Value being less than 25% of the Premium or the remaining Surrender Value being less than our current published minimum Value at the time for the Cluster of Policies.

19.6.2 The charge will be the relevant percentage, as shown in the Charges Schedule, in respect of:

- (a) the relevant Premium; or
- (b) the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium; or
- (c) the proportion of the value of the Portfolio Fund in respect of the relevant Premium depending on the time since payment of the Premium as shown in the Charges Schedule.

19.6.3 A separate charge will apply in respect of each additional Premium that is paid.

19.7 'Currency Dealing Charge'

19.7.1 Any costs incurred by us in converting any sum from one currency to another for a transaction may be deducted from the amount available for the transaction.

19.7.2 If a Currency Dealing Charge is shown in the Charges Schedule then the charge will be made in respect of each conversion from one currency to another.

19.8 'Fixed Account Servicing Charge'

This charge will arise on every Quarterly Date on which an amount is standing to the credit of the Policy in the Fixed Account.

20. THIRD-PARTY AGENT AND OTHER CHARGES

20.1 Third-Party Agent Charges

20.1.1 Various charges may be incurred by your choosing to have a Collective Investment Bond Policy. These charges will be met from the Transaction Account or debited by an Authorised Custodian and debited to the Portfolio Fund at each Valuation Date unless debited earlier.

20.1.2 As examples, these charges may include:

- (a) safe custody charges imposed by our custodian, or an Authorised Custodian as described in Term 7.
- (b) the charges for the services of the Dealing Desk in conjunction with the Authorised Custodian facility.
- (c) currency conversion charges for payment of any benefit in other than the Policy Currency.
- (d) currency conversion charges to purchase any Assets in a different currency.
- (e) remittance charges to pay benefits by a method requested by you.

20.1.3 These examples are illustrative and not exhaustive and we have no control over the number of such charges or their amount. As a result they may increase, reduce, stop, or be introduced without notice to you or us.

21. OTHER CHARGES – 'DIRECT AND INDIRECT EXPENSES, TAXES AND ASSOCIATED CURRENCY TRANSACTIONS'

21.1 Various other charges may arise on payment of a Premium or when a transaction takes place. They will either be deducted at source before the amount is sent to us or we will deduct them from the amount we receive.

21.1.1 These charges may be imposed in the currency of the transaction even if it is not the Policy Currency.

21.1.2 As examples, these charges may include:

- (a) charges imposed by a banker for an electronic transfer (such as telegraphic transfers).
- (b) stockbrokers' commission.
- (c) stamp duty or other fiscal imposition on a sale or purchase.
- (d) withholding taxes.

21.1.3 These examples are illustrative and not exhaustive and we have no control over the number of such charges or their amount. As a result they may increase, reduce, stop, or be introduced without notice to you or us.

22. FIXED ACCOUNT LOAN WITHDRAWALS

22.1 Dictionary

'Fixed Account' means a separate and identifiable account within our long-term business fund which is maintained for the purpose of granting interest-free loans.

- 22.2 You may at any time request that an amount less than the Surrender Value be transferred from the Portfolio Fund (by surrender of Allocated Policy Units for their Surrender Value) to Units in the Fixed Account.
- 22.3 Any such request must be made in a manner acceptable to us at the time and be received by us at our Head Office by post as provided by Term 23.1.4. If it is received later or by other means then the provisions of Term 23.1.4(b) will apply. The appropriate date for determining the price of underlying units in Internal Funds and for giving instructions to sell Units or shares in External Funds will normally be the Working Day immediately following the date the written request for the transfer is received at our Head Office.
- 22.4 Unless you or your Fund Adviser instruct us that a transfer to the Fixed Account is to be met by the sale of particular Assets, then we will normally sell Assets in the same manner as for a part surrender as described in Term 17.2.4 and 17.2.5.
- 22.5 The Fixed Account does not receive any interest or other form of income, nor does it participate in any form of capital growth so that the Units allocated to the Policy in respect of the transfer will remain of the same value at all times.
- 22.6 You may borrow up to the amount of the value of the Units in the Fixed Account by way of interest-free loan (a 'loan withdrawal') subject to the Policy being deposited with us.
- 22.7 You may at any time whilst the Policy remains in force repay part (subject to our minimum repayment requirement at the time) or the whole of the loan withdrawal in which event:
- 22.7.1 the sum standing to the credit of the Policy in the Fixed Account will be reduced by cancelling Units equal in value to the sum repaid;
- 22.7.2 the amount repaid will for the purposes of Term 3 be treated as an additional Premium (and also for Term 19, Portfolio Fund Charges).
- 22.8 If the Policy terminates then the amount of any loan withdrawals will be a first charge by us against the value of the benefits payable.
- 22.9 At all times we reserve the right to decline any request for a transfer to the Fixed Account or a loan withdrawal.

23. HOW TO LET US KNOW YOU WANT TO USE POLICY OPTIONS AND COMMUNICATIONS GENERALLY

23.1 Communications to us

- 23.1.1 To exercise any Policy options or to give us any valid instruction or requests affecting your Policy, then:
- (a) the instruction or request must have been received at our Head Office; and
- (b) the instruction or request must be in writing bearing your original signature.
- 23.1.2 Your request or instruction must comply with any reasonable requirements we may have at the time, which may include return of the Schedule, completion of a standard request or discharge form and compliance with any anti-money laundering requirements.
- 23.1.3 Your request or instruction will not be treated as received until actually received by us at our Head Office.
- 23.1.4 What does 'received' by us mean in this Term?
- (a) **'Received'** means that we have received the relevant item by postal delivery at our Head Office on a Working Day by 10.00am Isle of Man time.
- (b) If we receive an item by later postal delivery, or by any other means of communication or other than at our Head Office, then it will be treated as being received on the next Working Day or when actually received at our Head Office if later. This applies for example to private delivery and courier services.
- 23.1.5 To protect your rights we will not normally accept notification by electronic means – including for example e-mail, facsimile transmission (except as stated in Term 13.3.2), internet, telex, telephone, nor will we accept photocopied documentation.
- 23.1.6 We may agree to vary Term 23.1.5 to enable communication by specific electronic means generally for some or all of our policyholders. Any variation will be subject to such conditions and safeguards that we consider reasonable and appropriate.
- 23.1.7 We reserve the right to amend Term 23 by giving you notice of our intention. We may also introduce different terms for different methods of communication that we may agree under Term 23.1.6.

24. COMMUNICATIONS TO YOU

- 24.1 Any notice needed to be given to you under these Terms will be valid if sent by post to your last recorded address in our records or, if so requested by you, to your financial adviser.
- 24.2 Any such communication will be treated as though you had received it when it would normally be expected to have been received in the ordinary course of post. We can accept no responsibility for any failure by you to notify us of any change of address.
- 24.3 If we agree to vary Term 23.1.5 above then we may similarly vary Term 24.1 to have reciprocal effect.

25. CURRENCY AND WHERE BENEFITS ARE PAYABLE

- 25.1 All benefits are payable in the Policy Currency at our Head Office.
- 25.2 If the Policy Currency is replaced by another currency then the Policy Currency will become that new currency. For example, if the pound sterling is replaced by the euro, then the Policy Currency will become the euro. Premiums and benefits will then become payable in euro based on the rate of conversion provided for by legislation and the Policy will continue. If subsequently the euro or any successor currency adopted by the European Union is abandoned then the Policy Currency would revert to the pound sterling or its later equivalent (and similarly in other European Union or European Economic Area States).

26. RIGHT TO VARY THE TERMS BECAUSE OF CHANGES TO LAW AND TAXATION

- 26.1 If we are unable to maintain the Policy in accordance with these Terms without adversely affecting ourselves or our policyholders because of:
- 26.1.1 any statutory or regulatory levy being imposed; or
 - 26.1.2 any change in law, taxation or regulatory practice which affects:
 - (a) us; or
 - (b) the policies issued by us; or
 - (c) the funds kept by us; or
 - (d) the investments of the funds; then
 - 26.1.3 in such circumstances our Actuary may advise us to vary these Terms and the benefits payable under the Policy.
 - 26.1.4 any such variation will be to whatever extent we regard as appropriate to put us and our policyholders into the financial position we both would have been in but for the levy or change in law, taxation or regulatory practice.
 - 26.1.5 we will advise you of any amendment to these Terms at the first practical opportunity.

27. ANTI-MONEY LAUNDERING

- 27.1 You will provide us with such information or documents that we request in order to comply with the anti-money laundering regulations and legislation in the Isle of Man or any other relevant jurisdiction. We can only proceed with the allocation of Premiums or the payment of benefits when the information provided complies with the regulations and legislation. We can accept no responsibility for any delay or failure to carry out your instruction or request in such circumstances.

28. INFORMATION TECHNOLOGY FAILURE AND FORCE MAJEURE

- 28.1 We shall not be liable for any failure to perform or delay in performing our obligations if we are prevented from doing so by reason of:
- 28.1.1 failure outside of our control of our information technology systems provided we have reasonable procedures in place by way of a disaster recovery programme; or
 - 28.1.2 other supervening act outside of our control for example (but not limited to) act of God, war, terrorism, fire, flood, national emergency, radioactivity, sonic bangs, pollution, contamination or industrial action.

29. ASSIGNMENT

- 29.1 When acknowledging and noting any assignment or notice of such transaction, we accept no responsibility for the legality or effect of the transaction to which it relates.
- 29.2 If an assignment is not in respect of all of the Policies then we reserve the right to require that the Policy or Policies that are assigned are:
- 29.2.1 endorsed to show a new Policy number; and
 - 29.2.2 allocated to a new Portfolio Fund for the proportion of the value of the Portfolio Fund represented by those Policies.

30. JOINT OWNERSHIP

- 30.1 Where the Policyholder is two or more individuals, then if any of them dies all his rights, title and interest in the Policy will automatically accrue to the surviving individuals as Policyholder. Any transaction requiring a request by the Policyholder will require a request by each such Policyholder.

31. THIRD-PARTY RIGHTS

- 31.1 Only you, or your legal personal representatives or assignees (including trustees where the Policy is subject to a trust), may enforce the terms of the Policy.

32. CHANGE OF COUNTRY OF RESIDENCE

- 32.1 You have an obligation to advise us immediately should your country of residence change, to enable us to comply with any laws and regulations imposed upon us in respect of the Policy.

33. RELEVANT LAW

- 33.1 The Terms of this Policy are to be interpreted in accordance with and are governed by the law of the Isle of Man and are subject to the exclusive jurisdiction of the courts of the Isle of Man.

34. COMPLAINTS PROCEDURE

- 34.1** Customer satisfaction is very important to us, but if you do have any cause to complain about the administration or service provided by us, in the first instance please write to the Complaints Team Manager at our Head Office address.

If you are not satisfied with our response you can complain to:
Isle of Man Financial Services Ombudsman Scheme (FSOS)
Government Buildings
Lord Street
Douglas
Isle of Man
IM1 1LE

Referral to FSOS must be made within six years of the act or omission which led to your complaint. Complaining to the FSOS may affect your legal rights. With effect from 1 April 2012, the maximum award limit paid by the Financial Services Ombudsman Scheme was increased to £150,000 for complaints where the act or omission occurs on or after 1 April 2012. The maximum award limit on other complaints remains at £100,000.

35. APPOINTMENT OF FINANCIAL ADVISER

- 35.1** The Financial Adviser has been appointed by you to deal with your affairs and interests according to whatever terms you have agreed with them.
- 35.2** The Financial Adviser is not acting on our behalf and does not represent us in any way, and we have no knowledge of what basis your Financial Adviser acts on your behalf.
- 35.3** We are not responsible for any failure or breach in the relationship between you and your Financial Adviser.
- 35.4** We may make payments (such as Commission for example if regulatory rules allow) to your Financial Adviser in respect of your Policy, even though they are acting for you and irrespective of the nature of the relationship you have with them. Details of the amounts payable to your Financial Adviser are available from your Financial Adviser on request.

ONLINE SERVICE ENDORSEMENT TO THE FOLLOWING POLICY TERMS AND CONDITIONS:

EXECUTIVE INVESTMENT BOND (REFERENCE EIB4)
EXECUTIVE REDEMPTION BOND (REFERENCE ERB4)
COLLECTIVE INVESTMENT BOND (REFERENCE CIB4)
COLLECTIVE REDEMPTION BOND (REFERENCE CRB5)
EXECUTIVE INVESTMENT ACCOUNT (REFERENCE SO1)
INVESTMENT ACCOUNT (REFERENCE S02)

i **This document was last reviewed in June 2015.** Please confirm with your financial adviser that this is the most up-to-date document for your Policy or servicing needs.

Old Mutual International Isle of Man Limited (Old Mutual International) is adding to the means of communication and Online Services that are offered to its Policyholders for the above referenced Policies.

This endorsement forms part of the terms and conditions for the above referenced Policy Terms and Conditions which you hold and should be read in conjunction with them. Please keep this endorsement with your other policy documents.

Your Policy Terms and Conditions are amended to include the following:

1. DEFINITIONS

Asset

means the various types of assets or investments which may be assets or investments of the Policy/Portfolio Fund.

Charge Deduction Asset

means an Asset that will be used to clear Portfolio Fund Charges and any other outstanding debits to the Transaction Account held with us as described in Term 1.5. You are not able to select a Charge Deduction Asset where you have chosen to use the Authorised Custodian account facility.

Deduction Date

means the date we deduct Portfolio Fund Charges from the Transaction Account held with us. This will be on the last Working Day on the second month following each Quarterly Date.

Financial Adviser

means the person or firm which acts on your behalf when you are considering whether to apply for your Policy, during the process of applying for your Policy and whilst you own your Policy.

In respect of the Executive Investment Account and Investment Account Terms and Conditions, the term 'Financial Adviser' would be replaced with 'Financial Adviser Representative' in the above definition and where 'Financial Adviser' is used elsewhere in this Endorsement.

Fund Adviser Fee

means the amount you agree to pay to your Fund Adviser on a regular basis in return for ongoing investment services in respect of your Policy. This is payable under a legal agreement between you and the Fund Adviser.

Lead Policyholder

means an individual who is authorised to carry out certain Policy Transactions on behalf of all Policyholders or if the Policyholder is a corporate entity on behalf of that corporate entity or if the Policyholders are trustees on behalf of all the trustees. This may be through the Online Service or other method of communication which is acceptable to us.

Nominated Asset

means an Asset or number of Assets which is nominated to sell for the purpose of providing payment of part surrender benefits including Regular Withdrawals. This does not apply where you have chosen to use the Authorised Custodian account facility.

Nominated Asset for Ongoing Fees

means the same Asset you have selected for the Charge Deduction Asset.

Online Service or Online Service Account

means the secure Online Service also known as Wealth Interactive. The Online Services are provided by Old Mutual International Business Services Limited on behalf of us to you through the internet. You may access and manage your Policy together with additional functionality we may make available to you from time to time.

continued

ONLINE SERVICE ENDORSEMENT TO THE FOLLOWING POLICY TERMS AND CONDITIONS:

Policy Transactions

means a notice, instruction or other request we allow you to send to us through the Online Services in order to make changes to your Policy or exercise your rights under your Policy Terms and Conditions.

Regular Withdrawals

means part surrenders that you request for a fixed monetary amount or a percentage of the Premiums paid which are payable at regular intervals until the Policy is terminated.

Regular Withdrawal Due Date

means the date you request in your instruction to us that we pay your first Regular Withdrawal where it is for a fixed monetary amount and the same day each month, two months, quarter, four months, six months or year, depending on the Regular Withdrawal frequency you have chosen in your instructions to us and available at that time. Where a Regular Withdrawal Due Date is not a Working Day, it will be the last Working Day before the Regular Withdrawal Due Date.

Regular Withdrawals for Fund Adviser Fees

means the part surrenders you request us to pay to your Financial Adviser or Fund Adviser which are payable quarterly.

Security Details

means the password, username and any other requirements, procedures, methods, measures or devices we may introduce in the future to enable secure electronic communication.

2. HOW TO MAKE AN OFFER TO US USING AN ONLINE SERVICE ACCOUNT, APPLYING FOR AN ONLINE SERVICE ACCOUNT AND OUR ACCEPTANCE

- 2.1 We may allow you the option to carry out certain Policy Transactions through our Online Service. To facilitate this at the time you apply for the above referenced Policy, it is a requirement that your e-mail address is included in your application form and that you have a mobile telephone or other device we may specify to enable secure electronic communication.
- 2.1.1 We may allow you the option to carry out certain Policy Transactions through our Online Service. To facilitate this at the time you apply for the above referenced Policy, it is a requirement that your e-mail address is included in your application form and that you have a mobile telephone or other device we may specify to enable secure electronic communication.
- 2.1.2 If you apply for this Policy as described in Term 2.2 or 2.3 in this Endorsement, you agree that:
- you will apply for and sign onto your Online Service Account;
 - all Policy Transactions will be made by you using your Online Service Account, where our Online Service allows; and
 - all communications from us will be through your Online Service Account where our Online Service allows.
- 2.1.3 If you apply for this Policy by signing a paper version of the application form, then you do not have to apply for an Online Service Account.
- You may apply for and sign onto your Online Service Account at a later date, at which point Terms 2.1.2(b) and 2.1.2(c) will apply.
- 2.2 Offer by electronic means using your Online Service Account
- 2.2.1 We may allow your Financial Adviser to complete your application form on your behalf. In such circumstances, your application form will be sent to your Online Service Account for you to review the information your Financial Adviser has provided. Your approval of this information will result in the application being submitted to us.
- 2.2.2 If there is more than one applicant for a Policy, each applicant must approve the information your Financial Adviser has provided. The application will be submitted to us once all the applicants have approved the information through their Online Service Account.
- 2.2.3 Your evidence of identity and other information must be uploaded electronically by your Financial Adviser and sent to us, with your application, through the Online Service.
- 2.2.4 If you or any applicants do not approve the information, you can raise any questions you have with your Financial Adviser. Your questions can be added to the application and sent back to your Financial Adviser through the Online Service Account. This action will mean that your application will not be sent to us and therefore will never have been received by us at this stage.
- 2.2.5 Your application will not be deemed to have been received by us until all applicants have confirmed and approved the application.
- 2.2.6 Our receipt of your application will be confirmed by e-mail to your Financial Adviser.
- 2.3 Offer made by your Financial Adviser by electronic means using the Online Service.
- 2.3.1 This option is not available for the **Executive Investment Account (reference SO1)** or **Investment Account (reference SO2)**
- We may allow an offer to be made by your Financial Adviser. In such circumstances, this option is only available for the other Policies where you have appointed your Financial Adviser to act on your behalf to submit an application for a Policy to us.
- Where there is more than one applicant, this option is only available where all applicants have agreed that the Financial Adviser can act on their behalf.
- 2.3.2 Your Financial Adviser will complete your application form on your behalf and submit this to us. The application will not be submitted to you for approval. We will rely on the information provided by your Financial Adviser and any error in the information provided is your responsibility.
- You or your Financial Adviser must inform us immediately you become aware of any errors in the information provided and this may lead to a situation where we need to terminate your contract due to non-disclosure.
- 2.3.3 Evidence of your identity and other information must be uploaded electronically by your Financial Adviser and will be sent to us, by your Financial Adviser through the Online Service.
- 2.3.4 Our receipt of your application will be confirmed by e-mail to your Financial Adviser.

- 2.4 Offer by signing and uploading a copy of the online application form**
- 2.4.1 We may allow your Financial Adviser to submit your application through the Online Service by uploading a copy of the online application that has been signed by you.
 - 2.4.2 Your identity and other information must be uploaded electronically by your Financial Adviser and sent to us, with your application, through the Online Service.
 - 2.4.3 Your application will be deemed to be received by us once uploaded by your Financial Adviser and submitted to us.
 - 2.4.4 The receipt of your application will be confirmed by e-mail to your Financial Adviser.
 - 2.4.5 If we agree to allow this form of application you will still require an Online Service Account in order to fulfil your obligations under Term 2.1.2 and carry out Policy Transactions.
- 2.5 Outstanding information or payment**
- 2.5.1 If we need further information from you to enable us to consider your application or we have not received your Premium then we will request this information or payment of the Premium from your Financial Adviser, through the Online Service.
- 2.6 Acceptance by us of your offer**
- 2.6.1 If we accept your application and we know your Premium has been credited to our bank account then we will communicate our acceptance by sending our acceptance letter to the Online Service Account if you have one, or by post.
 - 2.6.2 You will either receive:
 - (a) an e-mail to the e-mail address included in your application form if you applied for an Online Service Account. The e-mail will confirm that your acceptance letter, Policy Terms, Schedule and Charges Schedule and any other relevant information are available for you to download from your Online Service Account; or
 - (b) your acceptance letter, Policy Terms, Schedule and Charges Schedule and any other relevant information by post.
 - 2.6.3 If your application was made to us as described in Term 2.3, you will be sent an email as described in Term 2.6.2(a) to the email address your Financial Adviser has provided on the application.
 - (a) It is your responsibility to ensure you apply for and sign onto your Online Service Account to review the acceptance letter, Policy Terms, Schedule, and Charges Schedule and any other relevant information to ensure they are correct.
 - 2.6.4 We may refuse your application or application for additional Premium payments without having to provide a reason.

3. WHAT ARE YOUR COMMITMENTS AND WHEN DOES THE CONTRACT START?

- 3.1** You agree to pay us a Premium in return for the benefits we provide under the Policy.
- 3.2** If we accept your application in accordance with Term 2.6.1, then we will credit your Premium to the Transaction Account held with us on the day we accept your application. This will be the Contract Date. The Policy will have no value and will not pay any benefit until the Contract Date.
- 3.2.1 If you have chosen a Policy Currency which is different to the currency in which your Premium is paid you should be aware that we will not convert your Premium. A notional currency conversion to your Policy Currency will be used which is purely for your valuation purposes. You could be exposed to exchange rate fluctuations at a later date when your Premium is converted to another currency. All notional conversions will be at the midmarket rate on the Working Day before the Working Day that we become aware that the Premium is credited to our bank account.
- 3.3** You, or your Financial Adviser on your behalf, may offer to pay additional Premiums by completing an application through the Online Service subject to all the provisions of Term 2.2, Term 2.3, or Term 2.4 above.
- 3.3.1 We may agree to accept your offer providing the additional Premium is equal to or more than our minimum published Premium level at the time for a Policy or Cluster of Policies.
 - 3.3.2 If we accept your application and we know your additional Premium has been credited to our bank account then we will communicate our acceptance by sending our confirmation letter to you or your Online Service Account if you have one.
 - 3.3.3 If we accept your application, then we will credit your additional Premium to the Transaction Account.
- 3.4** Premium payment by Asset Transfer
- We may agree to payment of all or part of your Premium (or additional Premium) by a transfer into our ownership of units or shares in an Asset. The Premium will (subject to this Term 3.4) be the value received by us after deduction of all direct and indirect expenses and taxes of the transaction.
- 3.4.1 The contract will then start (or the additional Premium will be accepted) on the Working Day that we receive at our Head Office information to our satisfaction that all necessary steps have been carried out to transfer the legal ownership to us.
 - 3.4.2 However, if transfer to us of the legal ownership of all the units or shares does not take place at the same time then provided the net value of the units or shares first transferred into our ownership is at least equal to our minimum Premium, we may accept that amount and start the contract.
 - 3.4.3 We will treat the net value of any later transfer of ownership as an additional Premium as described in Term 3.3 above.
 - 3.4.4 If the value transferred is less than our minimum stipulated Premium (or additional Premium) then we will normally hold it to your credit until the values transferred do meet our minimum stipulated Premium or additional Premium as appropriate.
 - 3.4.5 We will not credit any interest to the value.
 - 3.4.6 Terms 3.4.2 to 3.4.4 will not apply to Assets or bank accounts transferred to our ownership where they are already under the control of an Authorised Custodian. In that event, the Premium will not be considered as paid until the provisions of Term 3.4.1 above applies to all the Assets. However, if the transfer consists of cash and other Assets, then we may exceptionally agree to apply the provisions of Term 3.4.2 above to that cash amount only.

ONLINE SERVICE ENDORSEMENT TO THE FOLLOWING POLICY TERMS AND CONDITIONS:

4. CHANGING ASSETS USING THE ONLINE SERVICE

- 4.1 We may allow you or your Fund Adviser to change your choice of Assets by following the instructions on the Online Service. In such circumstances, this option is only available where you have not appointed an Authorised Custodian.
- 4.2 When you or your Fund Adviser submit a dealing request we will send you an e-mail to inform you that information regarding your request is available to you in your Online Service Account, in particular to inform you of the fact that we have actioned your request.
- 4.3 The time of receipt or delivery of any electronic communication sent to us will be determined by the time of sending recorded on our system, as explained in Term 9.5 of this Endorsement.
- 4.4 Where you are using our Online Service, the dealing date will be the next dealing point administratively available to us by the provider of the Assets, after we have actioned your request.
- 4.5 Your instruction must meet our reasonable requirements at that time. These requirements may include a minimum value of Assets to be bought or sold.
- 4.6 We have the right to defer or decline carrying out a dealing instruction through the Online Service because of a situation such as those referred to in the Policy Terms and Conditions and Term 5 of this Endorsement.
- 4.7 We have the right to agree to change the timings set out in this Term 4 to take advantage of improvements in communication and the possibility of more than one dealing point in a day.

5. DEFERRAL AND DECLINATURE OF TRANSACTIONS FOR THE ONLINE SERVICE

- 5.1 We may decline or defer a Policy Transaction requested through the Online Services if we believe:
 - (a) It is unlawful or might be associated with unlawful, criminal, fraudulent or terrorist activity;
 - (b) That by carrying out the Policy Transaction we may breach a legal or regulatory duty that applies to us; or
 - (c) You are in breach of your Online Service Agreement or the Policy Terms and Conditions that apply to your contract.
 - (d) You have submitted a request and the Online Services are not available to you.
- 5.2 If your Policy Transaction is deferred or declined, we will communicate this to you through your Online Service Account.

6. REQUEST TO FULLY OR PARTIALLY SURRENDER YOUR POLICY THROUGH THE ONLINE SERVICE

- 6.1 We may allow you to request a partial or full surrender by following the instructions on the Online Service.
- 6.2 In such circumstances, your instruction must meet our reasonable requirements at that time, which may include return of the Schedule, completion of a standard request or discharge form and any information or documents we require in order to comply with anti-money laundering and countering terrorist financing regulation or legislation.
- 6.3 Where there is more than one Policyholder, all Policyholders must approve the request to surrender.
- 6.4 When you submit your request we will send you an e-mail to inform you that information regarding your request is available to you in your Online Service Account, in particular to inform you of the fact we have actioned your request.
- 6.5 The time of receipt or delivery of any electronic communication sent to us will be determined by the time of sending recorded on our system as explained in Term 9.5.
- 6.6 You must select an Asset to be sold to pay for the part surrender benefits. We or the Dealing Desk will sell the Nominated Asset to pay for the part surrender benefits.
- 6.7 We will give instructions to sell the Assets following our receipt of them.
- 6.8 The Assets will normally be sold on the next available dealing point administratively available to us which will usually be within one Working Day following receipt of your request to surrender, unless an Asset is valued less frequently than daily. In that instance, the next dealing point administratively available for that non-daily dealing Asset will be used.
- 6.9 If we are unable to pay the part surrender benefit because the Nominated Asset is unavailable to sell then we will contact you either through your Online Service Account where you have one or by post for revised instructions.
 - (a) Your part surrender will not be actioned until we have received new dealing instructions. This includes instructing us to use any credit balance in our Transaction Account or the transaction account of the Authorised Custodian.
 - (b) We will not make payment of part surrender benefits until the realised amount has been credited to our bank account unless the part surrender is a Regular Withdrawal where the payment will be made on the Regular Withdrawal Due Date. We can accept no responsibility for the late payment due to delay in providing us with dealing instructions in respect of the Asset or Assets to be realised, especially if they are not priced daily.
- 6.10 You may take Regular Withdrawals each month, two months, quarter, four months, six months or year, depending on our minimum published withdrawal limit, by sending us instructions using the Online Service or by post.
 - (a) we have the right to amend the frequency available for Regular Withdrawals in the future in order to meet our administrative requirements at the time. If you have Regular Withdrawals in place that will be affected, we will inform you of this change either through your Online Service Account, where you have one, or by post at least one month before the change takes place.
- 6.11 We will pay the Regular Withdrawals on the Regular Withdrawal Due Date subject to Term 6.13 or 6.14 (b)(ii). This will be paid by debiting the Transaction Account held with us, unless we agree to instruct an Authorised Custodian (where appointed) to make payment of Regular Withdrawals on our behalf on the dates and for the amounts specified. In this circumstance, the Authorised Custodian will debit its transaction account on the Regular Withdrawal Due Date subject to Term 6.14 (d).

- 6.12 The value of each Policy will be reduced proportionately to reflect the Regular Withdrawal payment. This means that all the Policies will remain of the same value (subject to any rounding adjustments).
- 6.13 We will pay the Regular Withdrawals to you, unless Terms 6.13 (a) (i) or 6.13 (b) (i) applies, or it is no longer possible to sell from a Nominated Asset and Term 6.13 (c) (i) applies. We will send confirmation to your Online Service Account where you have one or by post after this transaction has taken place.
- (a) We will normally sell the Nominated Asset (unless you have chosen the Transaction Account as your Nominated Asset) five Working Days before the Regular Withdrawal Due Date and debit the Transaction Account held with us and pay the Regular Withdrawal on the Regular Withdrawal Due Date. This is regardless of any credit balance in the Transaction Account held with us. We will credit the proceeds of the sale of the Nominated Asset to the Transaction Account held with us.
 - (i) If we requested the sale of the Nominated Asset five Working Days before the Regular Withdrawal Due Date but the sale of the Nominated Asset subsequently falls after the Regular Withdrawal Due Date, we will inform you as described in Term 6.13 (c) and the outstanding debit for the Regular Withdrawal will be cleared on the next Deduction Date as described in Term 15.
 - (b) If you have chosen the Transaction Account held with us as your Nominated Asset, you or your Fund Adviser must ensure there is sufficient cash in the Transaction Account to pay the Regular Withdrawal by the Regular Withdrawal Due Date by selling Assets.
 - (i) If there is not sufficient cash in the Transaction Account, we will not pay that Regular Withdrawal.
 - (c) If it is no longer possible to sell from a Nominated Asset, we will advise you immediately after the last Regular Withdrawal that we were able to pay and request you or your Fund Adviser to provide a new Nominated Asset. This is regardless of any credit balance in the Transaction Account.
 - (i) If we do not receive a new instruction for a Nominated Asset before the next Regular Withdrawal Due Date, we will not pay that Regular Withdrawal.
 - (d) If we cannot pay a Regular Withdrawal, we will not pay any future Regular Withdrawals until the next Regular Withdrawal Due Date after we have received a new instruction for a Nominated Asset or there is sufficient cash in the Transaction Account where this is your Nominated Asset. We will not pay any missed Regular Withdrawals.
- 6.14 If you have chosen to use the Authorised Custodian account facility then when you request a Regular Withdrawal you will request whether we or (subject to our agreement) the Authorised Custodian on our behalf should pay the Regular Withdrawals.
- You or your Fund Adviser are required to ensure that the Dealing Desk has instructions to sell Assets and that sufficient cash is available in the Transaction Account held with us or in the transaction account held with the Authorised Custodian where we have instructed them to make payment on our behalf. The cash must be available 30 days before the Regular Withdrawal Due Date to pay the Regular Withdrawal.
- (a) Where we are paying the Regular Withdrawal and there is sufficient cash in the Transaction Account held with us on the Regular Withdrawal Due Date, we will debit the Transaction Account held with us and pay the Regular Withdrawal and we will send confirmation that the Regular Withdrawals have been set up to your Online Service Account where you have one or by post after this transaction has taken place.
 - (b) Where we are paying the Regular Withdrawal and there is no credit held in the Transaction Account held with us, we will pay the Regular Withdrawal and debit the Transaction Account held with us unless the Authorised Custodian has advised us that it cannot release funds to us. We will send confirmation to your Online Service Account where you have one or by post after this transaction has taken place.
 - (i) If the Authorised Custodian is unable to send us the funds to cover the Regular Withdrawal, they will contact you or the Fund Adviser for investment dealing instructions. They will also inform us that they cannot release funds.
 - (ii) Once the Authorised Custodian has informed us that they cannot release funds to us, we will not pay any future Regular Withdrawals and any outstanding debits in the Transaction Account held with us will be cleared in accordance with Term 15.
 - (c) Where we have agreed that the Authorised Custodian can pay the Regular Withdrawals on our behalf and there is credit held in the Authorised Custodian's transaction account, the Authorised Custodian will pay the Regular Withdrawal on the Regular Withdrawal Due Date and this will be reflected in the next Quarterly Valuation we provide for you.
 - (d) Where we have agreed that the Authorised Custodian can pay the Regular Withdrawals on our behalf and there is no credit held in its transaction account on the Regular Withdrawal Due Date, the Authorised Custodian will not pay the Regular Withdrawal and will inform us of this fact.
 - (e) If we (or the Authorised Custodian on our behalf) cannot pay a Regular Withdrawal, we (or the Authorised Custodian) will not pay any future Regular Withdrawals until the next Regular Withdrawal Due Date after there is sufficient cash in the Transaction Account held with us (or the Authorised Custodian's transaction account) to cover a Regular Withdrawal. We will not pay any missed Regular Withdrawals.
- 6.15 We reserve the right to cancel any request for Regular Withdrawals because of a situation such as referred to in the Deferral and Declinature of Transactions term in the Policy Terms or if the Fund Adviser, or you do not fulfill their responsibility in Term 6.14.
- 6.16 To ensure that transactions and Policies remain economically viable, we stipulate a minimum value of a Portfolio Fund. If at any time the Portfolio Fund value falls below our minimum published amount for maintaining a Portfolio Fund then we reserve the right to automatically surrender your Policy or Cluster of Policies unless you offer to pay us an additional premium, subject to our acceptance. If we choose to exercise this right we will confirm this to you to your Online Service Account where you have one or by post. This may be after the fact.
- 6.17 If the debit balance remains outstanding for more than 90 days, we will instruct the Dealing Desk within five Working Days to sell from an instant access or short notice Bank Deposit first and if not from the highest value Asset held with the Authorised Custodian.
- 6.18 It is the responsibility of the Fund Adviser or you, to ensure the cost of the Regular Withdrawals can be met.
- (a) We will send confirmation to your Online Service Account where you have one or by post, after this transaction has taken place.
- 6.19 We reserve the right to cancel any request for Regular Withdrawals because of a situation such as referred to in the Deferral and Declinature of Transactions Term in the Policy Terms or if the Fund Adviser, or you do not fulfill your responsibility in Term 6.18.

6.20 Facilitating Fund Adviser Fees

- 6.20.1 This Term 6.20 only applies where you have requested that we facilitate payment of Fund Adviser Fees by making Regular Withdrawals. You may request Regular Withdrawals for Fund Adviser Fees in order to facilitate the payment of these fees by sending instructions to us by post.
- 6.20.2 You may request a fixed monetary amount or a fixed annual percentage of the value of Assets held in the Portfolio Fund. The fixed percentage will be based on the value of the Assets at the Quarterly Date and paid quarterly in arrears, subject to Term 6.20.4 (b) or 6.20.5 (b)(ii). Where you have chosen to use the Authorised Custodian account facility, you may also request (subject to our agreement) that the Authorised Custodian pays the Fund Adviser Fees on our behalf.
- (a) Where the Fund Adviser Fees are to be a percentage of the value of the Assets on the Quarterly Date and are to be paid by us, the amount will need to be calculated before payment can be made.
- The payment date, and therefore when we debit the Transaction Account held with us, will depend on the date we have received all relevant information to calculate the amount. This date will vary depending on the type of Assets held, and the Authorised Custodian's internal processes for reporting to us.
- 6.20.3 The value of each Policy will be reduced proportionately to reflect the Regular Withdrawal for Fund Adviser Fees payment. This means that all the Policies will remain of the same value (subject to any rounding adjustments).
- 6.20.4 If you have chosen not to use the Authorised Custodian facility, then we will pay the Regular Withdrawals for Fund Adviser Fees, unless Term 6.20.4 (b) applies.
- (a) If you have chosen a Nominated Asset for Ongoing Fees, we will normally sell the Nominated Asset for Ongoing Fees at the next Deduction Date after the payment is made and debited to the Transaction Account held with us. This is regardless of any credit balance in the Transaction Account held with us. We will credit the proceeds of the sale of the Nominated Asset for Ongoing Fees to the Transaction Account held with us.
- (b) If you have not selected a Nominated Asset for Ongoing Fees or it is no longer possible to sell from a Nominated Asset for Ongoing Fees and there is insufficient credit in the Transaction Account held with us to cover the Regular Withdrawal for Fund Adviser Fees, we will not pay any future Regular Withdrawals for Fund Adviser Fees and any outstanding debits in the Transaction Account held with us will be cleared in accordance with Term 1.5.
- (c) If we cannot pay a Regular Withdrawal for Fund Adviser Fees, we will not pay any future Regular Withdrawals for Fund Adviser Fees until the next Deduction Date after we have received a new instruction for a Nominated Asset for Ongoing Fees or there is sufficient cash in the Transaction Account held with us. We will not pay any missed Regular Withdrawals for Fund Adviser Fees.
- 6.20.5 If you have chosen to use the Authorised Custodian account facility then you or your Fund Adviser are required to ensure the relevant Dealing Desk has instructions to sell Assets to ensure sufficient cash is available to cover the Regular Withdrawal for Fund Adviser Fees in the Transaction Account held with us at least 30 days before the payment date, or the transaction account held with the Authorised Custodian where we have instructed them to make payment on our behalf, to pay the Regular Withdrawal for Fund Adviser Fees on the payment date. Your Quarterly Valuations will reflect when Regular Withdrawals for Fund Adviser Fees have been paid.
- (a) Where we are paying the Regular Withdrawal for Fund Adviser Fees and there is sufficient cash in the Transaction Account held with us on the payment date, we will debit the Transaction Account held with us and pay the Regular Withdrawal for Fund Adviser Fees.
- (b) Where we are paying the Regular Withdrawal for Fund Adviser Fees and there is no credit held in the Transaction Account held with us, we will pay the Regular Withdrawal for Fund Adviser Fees and debit the Transaction Account held with us.
- (i) If the Authorised Custodian is unable to send us the funds to cover the Regular Withdrawal for Fund Adviser Fees, they will contact you or the Fund Adviser for investment dealing instructions. They will also inform us that they cannot release funds.
- (ii) Once the Authorised Custodian has informed us that they cannot release funds to us, we will not pay any future Regular Withdrawals for Fund Adviser Fees and any outstanding debits in the Transaction Account held with us will be cleared in accordance with Term 1.5.
- (c) Where we have agreed that the relevant Authorised Custodian can pay the Fund Adviser Fees and there is credit held in the Authorised Custodian's transaction account, the Authorised Custodian will pay the quarterly Fund Adviser Fee and this will be reflected in the next Quarterly Valuation we provide for you.
- (d) Where we have agreed that the Authorised Custodian can pay the Fund Adviser Fees on our behalf and there is no credit held in its transaction account on the payment date, the Authorised Custodian will not pay the Fund Adviser Fee and will inform us of this fact.
- (e) If we (or the Authorised Custodian on our behalf) cannot pay a Regular Withdrawal for Fund Adviser Fees, we (or the Authorised Custodian) will not pay any future Regular Withdrawals for Fund Adviser Fees until the next payment date after there is sufficient cash in the Transaction Account held with us (or the Authorised Custodian's transaction account) to cover a Regular Withdrawal for Fund Adviser Fees. We (or the Authorised Custodian) will not pay any missed Regular Withdrawals for Fund Adviser Fees.
- 6.20.6 These Regular Withdrawals for Fund Adviser Fees will continue until either:
- (a) your Policy is terminated; or
- (b) you ask us to stop making these payments by sending us instructions using your Online Service Account if you have one, or by post; or (where the termination does not coincide with a fee payment date) then we will make a final pro rata payment for the period from the last; or
- (c) we decide to cease to act on the instructions of the Fund Adviser because of a situation as described in the Appointment of Fund Adviser Term in the Policy Terms and Conditions. Where you inform us in writing that you wish to terminate the appointment of a Fund Adviser, we will terminate the appointment of the Fund Adviser and stop any Fund Adviser Fees we are making to the Fund Adviser on your behalf. Where the termination date does not coincide with a fee payment date, then we will make a final pro rata payment for the period from the last payment date up to the termination date on the next payment.

- 6.20.7 We reserve the right to cancel any request for Regular Withdrawals for Fund Adviser Fees because of a situation such as referred to in the Deferral and Declinature of Transactions term of the Policy Terms and Conditions or you do not fulfil your responsibility in Term 6.20.5
- 6.20.8 To ensure that transactions and Policies remain economically viable, we stipulate a minimum value of a Portfolio Fund. If at any time the Portfolio Fund value falls below our minimum published amount for maintaining a Portfolio Fund then we reserve the right to automatically surrender your Policy or Cluster of Policies unless you offer to pay us an additional Premium, subject to our acceptance.

If we choose to exercise this right we will confirm this to you to your Online Service Account where you have one or by post. This may be after the fact.
- 6.21 We will not make payment of the total surrender benefits until the realised amount has been credited to our bank account. We can accept no responsibility for the late payment due to delay in providing us with dealing instructions in respect of the Asset or Assets to be realised, especially if they are not priced daily.
- 6.22 We have the right to defer or decline carrying out a Surrender request because of a situation such as referred to in the Policy Terms and Conditions and Term 5 of this Endorsement.

7. LEAD POLICYHOLDER

- 7.1 Appointment of a Lead Policyholder or Lead trustee by individual(s) or trustees.
 - 7.1.1 If there is more than one Policyholder you will be asked to select one Policyholder to be the Lead Policyholder in order for Policy Transactions to be carried out through the Online Services. If you are using a different form of communication which is acceptable to us you may also select a Lead Policyholder.
 - 7.1.2 Each Policyholder must agree to select the same Lead Policyholder. If each Policyholder cannot agree then you will not be able to use the Online Services.
 - 7.1.3 By selecting a Lead Policyholder you agree and authorise the Lead Policyholder to provide us with instructions to carry out Policy Transactions on behalf of all the Policyholders.
 - 7.1.4 By selecting a Lead Policyholder, where the application is made by trustees, the trustees confirm that the provisions of the trust allow delegation of authority to one trustee to act on behalf of all trustees.
 - 7.1.5 Each Policyholder must have their own Online Service Account. Each Policyholder will be able to access their Online Service Account to view their Policy but will not be able to carry out Policy Transactions individually on their Online Service Account unless they are the Lead Policyholder.
- 7.2 Appointment of a Lead Policyholder by a corporate entity
 - 7.2.1 If you are registering for the Online Services on behalf of a corporate entity, including for example, a trust company, then you will be known as the Lead Policyholder.
 - 7.2.2 You confirm that you have the appropriate authority to act on behalf of the corporate entity. For example, that there has been a Board resolution that confirms that you have authority to act on behalf of the corporate entity solely.
- 7.3 Changes to the Lead Policyholder
 - 7.3.1 You may request to change the Lead Policyholder at any time.
 - 7.3.2 All Policyholders must agree on a new appointment for a replacement Lead Policyholder.
 - 7.3.3 The Lead Policyholder will stop being a Lead Policyholder when:
 - (a) that person dies; or
 - (b) there is a request by a Policyholder to remove the authority from that person to be a Lead Policyholder. For example where the Lead Policyholder ceases to be a trustee of the trust, for any reason.
 - 7.3.4 We will not accept any further instructions or requests through the Online Services and we will only accept instructions by post signed by all Policyholders until a replacement has been appointed.
 - 7.3.5 You must inform us of any change. If you do not inform us of the change then we will continue to act on the instruction of the Lead Policyholder.

8. REQUESTING POLICY TRANSACTIONS THROUGH OUR ONLINE SERVICE

- 8.1 This Term 8 applies where you have applied for an Online Service Account and signed up to the Online Service agreement to carry out requests through the Online Service where such services are available and we have accepted your request.
- 8.2 We will act on the information you give to us.
- 8.3 You are responsible for all Policy Transactions carried out through the Online Services. We shall not be obliged to make any further enquiries to check the authenticity of the instruction.
- 8.4 If anyone other than the Policyholder uses your security details to access your Online Service account, for example, if that person instructs us to carry out a Policy Transaction, then we will not be liable for any loss you may suffer as a result of such use even if that person is not authorised by you.
- 8.5 You agree to indemnify us for the costs of putting right anything that person using your Security Details does to any Policy, any losses or costs we suffer, or any claims against us caused by or resulting from the use of the Online Services.

ONLINE SERVICE ENDORSEMENT TO THE FOLLOWING POLICY TERMS AND CONDITIONS:

- 8.6 You will not be liable for any loss or costs we suffer as a result of:
- (a) us acting on an instruction received by us, from someone using your Security Details, after you have told us to disable your Security Details and after we have disabled access to the Online Services in respect of your Policy; or
 - (b) an unauthorised third party breaching our security; or
 - (c) our negligence.
- 8.7 You must contact us immediately by telephone if you have reason to believe that there has been a failure, delay or error whilst requesting us to carry out a Policy Transaction using the Online Services.
- 8.8 It may not be possible for all Policy Transactions to be carried out through our Online Services. If this is the case we will let you know by notifying you through the Online Service Account.
- This means that we may ask you to physically send the request and if required, any original documentation, to us at our Head Office, as explained in your Policy Terms and Conditions. In respect of the Executive Investment Account and Investment Account Terms and Conditions, the words 'Head Office' would be replaced with 'Branch Office' in this Term 8.8.
- For example, you must send us any Trust Deed signed by all Policyholders in order for us to note a change of ownership to the trustees as Policyholder.
- 8.9 We have the right to defer or decline a request as explained in your Policy Terms and Conditions and Term 5 of this Endorsement.

9. COMMUNICATIONS TO US USING THE ONLINE SERVICE

- 9.1 We consider all communications using the Online Services to be legally equivalent to a personally signed request from you.
- 9.2 If there is more than one Policyholder then certain requests will require the confirmation of all Policyholders. Certain requests may be carried out by the Lead Policyholder, as defined in Term 1 of this Endorsement, where we have agreed. Any instruction received by us from the Lead Policyholder shall be deemed to have been addressed, sent and authorised on behalf of all Policyholders.
- 9.3 We will send you an e-mail to inform you that relevant information is available, in particular to alert you of the fact that we have actioned or not actioned a request from you. For example if we accept your application for an additional Premium, or following a Policy Transaction that has recently taken place.
- 9.4 You will be notified of the transaction date at the time of your Policy Transaction through the Online Service.
- 9.5 The time of receipt or delivery of any electronic communication sent to us will be determined by the time of sending recorded on our system unless our system fails and an error message is generated. Where the system fails and an error message is generated then electronic communication will generally be treated as being received one full Working Day after the date it is sent and received by us through the Online Service Account except in exceptional circumstances as described in Term 12 of this Endorsement. You should therefore tell us as soon as possible by telephone if you experience any failure, delay or error whilst using the Online Services, especially when sending and receiving instructions.

10. COMMUNICATIONS BY US USING THE ONLINE SERVICE

- 10.1 Once you have registered for the Online Services we will normally send all correspondence to you electronically through the Online Services.
- 10.2 You agree to inform us if your details change in the future, for example if your e-mail address or mobile telephone number changes, so that we can update our records and, where necessary, communicate to you as explained in this Term 10.
- 10.3 If a notice, instruction or other communication in respect of a Policy owned by more than one person or a corporate entity is sent to the Lead Policyholder, such communication shall be deemed to have been addressed and sent to all Policyholders.
- 10.4 Any notice we need to give to you under this Endorsement or the Policy Terms will be valid if:
- (a) notified to you by means of an e-mail that the communication is available for you to download from your Online Service Account where our Online Service Account allows or
 - (b) we send it by post to the last address we have for you in our records where you have not agreed or requested not to use the Online Service Account or such facility is otherwise not available or permitted for the particular communication.
- 10.5 We will consider you to have received any such communication we send to you when it would be available for you to download from your computer or other electronic device; or normally be expected to have been received in the ordinary course of post. We are not responsible if you do not receive a communication from us because you did not tell us that you have changed your correspondence address or e-mail address or if you do not download the information on your Online Service Account.

11. THE EFFECT OF TERMINATING AN ONLINE SERVICE AGREEMENT ON YOUR POLICY

The termination of an Online Service Agreement does not, in any way, affect the validity of your Policy. Your Policy shall continue to bind you and us in accordance with your Policy Terms and Conditions unless the termination of the Online Service agreement is because of the Policy ending on death of the last life assured listed in the Schedule, maturity of the Policy, a Policy being totally surrendered.

12. INFORMATION TECHNOLOGY FAILURE AND FORCE MAJEURE FOR THE ONLINE SERVICE

We shall not be liable for any failure to perform or delay in performing our obligations if we are prevented from doing so by reason of:

- (a) failure outside of our control of our information technology systems provided we have reasonable procedures in place by way of a disaster recovery programme; or
- (b) other supervening act outside of our control for example (but not limited to) act of God, war, terrorism, fire, flood, national emergency, radioactivity, sonic bangs, pollution, contamination or industrial action.

13. APPOINTMENT OF FINANCIAL ADVISER FOR THE ONLINE SERVICE

- 13.1 The Financial Adviser has been appointed by you to deal with your affairs and interests according to whatever terms you have agreed with them.

- 13.2 The Financial Adviser is not acting on our behalf and does not represent us in any way, and we have no knowledge of the basis on which your Financial Adviser acts on your behalf.
- 13.3 We are not responsible for any failure or breach in the relationship between you and your Financial Adviser.
- 13.4 We may make payments (such as commission for example if regulatory rules allow) to your Financial Adviser in respect of your Policy, even though they are acting for you and irrespective of the nature of the relationship you have with them.
- 13.5 Details of the amounts payable to your Financial Adviser are available from your Financial Adviser on request.

14. TERM 8.6.1 (A) OF THE EXECUTIVE INVESTMENT BOND (REFERENCE EIB4) AND EXECUTIVE REDEMPTION BOND (REFERENCE ERB4) TERMS, TERM 7.5.1.1 OF THE EXECUTIVE INVESTMENT ACCOUNT (REFERENCE SO1) AND TERM 7.5.1(A) OF THE INVESTMENT ACCOUNT (REFERENCE S02) ARE ALL DELETED AND REPLACED WITH THE FOLLOWING:

Normally any dividends will be held in the Transaction Account held with us or to our credit in an interest bearing account by the nominee holder of the Asset.

Term 8.5.1(a) of the Collective Redemption Bond (reference CRB5) and the Collective Investment Bond (reference CIB4) Terms are deleted and replaced with the following:

Normally any dividends will be held in the Transaction Account held with us or to our credit in a non-interest bearing account by the nominee holder of the Asset.

15. WHERE THE POLICY TERMS AND CONDITIONS REFER TO A SALE OF ASSETS TO PAY FOR PORTFOLIO FUND CHARGES AND PART SURRENDER BENEFITS, THIS TERM IS DELETED AND REPLACED WITH THE FOLLOWING:

Selling assets to pay for portfolio fund charges

Portfolio Fund Charges will be debited to the Transaction Account. If there is a credit balance in the Transaction Account held with us then we will normally use that value towards payment for Portfolio Fund Charges and any other outstanding debits.

If we are unable to clear the debit balance held in the Transaction Account, then:

If you have not chosen to use the Authorised Custodian account facility, we will:

- (a) sell the Charge Deduction Asset on the next dealing point administratively available following the Deduction Date; or
- (b) if you have not selected or it is no longer possible to sell from a Charge Deduction Asset, the overdraft will be reflected in your next Quarterly Valuation. You or your Fund Adviser have 30 days from the date of the Quarterly Valuation to provide us with new investment instructions in order to clear the debit balance on the next Deduction Date.

If any of the debit balance remains outstanding after the 30 day notice period and if the amount is above our maximum published overdraft limit, then we have the right to sell from an instant access or short notice Bank Deposits first and if not from the highest value Asset on that date, unless the Asset has restricted dealing, or early redemption penalties. Under these circumstances, we will sell from the Asset with the next highest value but no restricted dealing, or early redemption penalties.

If all assets have restricted dealing or early redemption penalties, we will sell from the Asset with the highest value and you will incur the redemption costs.

If we cannot sell from any Assets, we will defer the sale of Assets as described in the Deferral and Declinature of Transactions term of the Policy Terms and Conditions.

If you have chosen to use the Authorised Custodian account facility, we will request that the Authorised Custodian transfers an amount to us to cover the outstanding debit balance on the Deduction Date.

This is regardless of any maximum overdraft limit on debit balances for the Transaction Account held with us.

If the Authorised Custodian is unable to pay the invoice as there is insufficient cash in its transaction account, then the Authorised Custodian will contact you or your Fund Adviser requesting that investment instructions are provided to the Dealing Desk for the Authorised Custodian immediately, so that Assets are realised to clear any debit balance in the Transaction Account held with us.

The overdraft will be reflected in the Quarterly Valuations we provide for you.

Provided the value of the debit balance is more than our published maximum overdraft limit, if any of the debit amount remains outstanding 30 days after the first Quarterly Valuation confirming the overdraft, we have the right to clear any debit balance in the Transaction Account held with us by instructing the Authorised Custodian to sell from an instant access or short notice Bank Deposits first and if not, we will request the Authorised Custodian to sell from the highest value Asset, unless that Asset has restricted dealing or early redemption penalties. Under these circumstances, we will instruct the Authorised Custodian to sell from the Asset with the next highest value but no restricted dealing or early redemption penalties.

If all assets have restricted dealing or early redemption penalties, we will instruct the Authorised Custodian to sell from the Asset with the highest value and you will incur the redemption costs.

If none of the Assets can be sold, we will defer the sale of Assets as described in the Deferral a Declinature of Transactions in the Policy Terms and Conditions.

If we do not instruct the Dealing Desk as described above due to the debit balance being less than the maximum overdraft limit, the debit balance will remain in the Transaction Account held with us. Once the debit balance is above the published maximum overdraft limit, the debit balance will be cleared on the next Deduction Date in accordance with the last two paragraphs.

It is the responsibility of the Fund Adviser or you to ensure the Portfolio Fund Charges can be paid. An Investment Dealing Charge will apply in respect of the sale from Bank Deposits.

We will send confirmation to your Online Service Account where you have one or by post after this transaction has taken place.

We have the right to defer or decline selling Assets because of a situation such as referred to in the Deferral and Declinature of Transactions term in the Policy Terms and Conditions.

16. WHERE THE POLICY TERMS AND CONDITIONS REFER TO AN INVESTMENT DEALING CHARGE, THIS TERM IS DELETED AND REPLACED WITH THE FOLLOWING:

Investment Dealing Charge

This charge applies to each transaction to buy and each transaction to sell an Asset and will be debited to the Transaction Account held with us in the Policy Currency in arrears on each Quarterly Date (and if applicable the Final Valuation Date). It will not apply during the initial period from the Contract Date as specified in your Charges Schedule.

We may allow you a number of transactions to sell or buy an Asset without incurring an Investment Dealing Charge. Your Charges Schedule will show if this applies to your Policy. It will also show the number of transactions which can be made without incurring an Investment Dealing Charge.

We will calculate the total amount of the Investment Dealing Charge each Quarterly Date. The charge will be the Investment Dealing Charge multiplied by the number of chargeable transactions needed to buy and sell an Asset that have been requested through the Online Service Account where you have one, or by post. The total amount of the Investment Dealing Charge will be deducted from the Transaction Account held with us on the Quarterly Date.

We have the right to amend the amount of the Investment Dealing Charge on the advice of our Actuary where it is reasonable considering any change year-on-year to the rate of Isle of Man inflation since the last amendment to the charge and the level of administration costs we must pay in connection with the Policy.

We will tell you about any change to the charge through the Online Service Account where you have one, or by post at least one month before the change takes effect.

17. WHERE THE POLICY TERMS AND CONDITIONS REFER TO AN ADMINISTRATION CHARGE, THIS TERM IS DELETED AND REPLACED WITH THE FOLLOWING: ADMINISTRATION CHARGE

This charge is the monetary amount shown in the Charges Schedule payable in the Policy Currency in arrears on each Quarterly Date (and the Final Valuation Date).

This charge is not proportioned and so applies in full if the Policy has been in existence for one day or more of the Valuation Period relevant to the particular Valuation Date or Final Valuation Date.

The amount of this charge is reviewed yearly and may be altered with any amendment normally applying from 1 January each year.

We will tell you about any change to the charge through the Online Service Account where you have one or by post at least one month before the change takes effect.

When reviewing the charge we will, on the advice of our Actuary, consider any change year-on-year to the rate of Isle of Man inflation since the last amendment to the charge and to any changes in the level of the administration expenses incurred by us affecting the contract and which are reasonable in amount and reasonably incurred. Any such change will be proportionate.

In exceptional circumstances our Actuary may advise us that it is appropriate to review the charge immediately, taking account of the facts mentioned in the last paragraph. We will inform you of this fact through your Online Service Account where you have one or by post. This may be after the revised charge applies.

18. WHERE THE POLICY TERMS AND CONDITIONS REFER TO A REGULAR POLICY MANAGEMENT CHARGE, THIS TERM IS DELETED AND REPLACED WITH THE FOLLOWING:

Regular Policy Management Charge

One or more amounts may apply for this charge.

The charge will apply in arrears on each Quarterly Date for the number of full years shown in the Charges Schedule or until the Policy comes to an end.

We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence for:

- (a) the Valuation Period which includes the Contract Date; and
- (b) the Valuation Period which includes the Final Valuation Date if within the period relevant to this charge.

The charge will be based on either:

- (a) the relevant Premium; or
- (b) the proportion of the value of the Portfolio Fund in respect of the relevant Premium; or
- (c) the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium.

If a part surrender is taken from the Cluster of Policies then the Regular Policy Management Charge will continue to be payable as though a part surrender had not occurred.

A separate charge will apply in respect of each additional Premium.

We will tell you about any change to the charge through the Online Service Account where you have one or by post at least one month before the change takes effect.

Ongoing Servicing Charge

This charge applies where you have agreed a fund based commission with your Financial Adviser where regulatory rules allow.

This charge is a percentage of the Portfolio Fund value at the Quarterly Date on every Quarterly Date and the Final Valuation Date. The charge will be paid on the Quarterly Date (and if applicable the Final Valuation Date).

We will only charge the pro-rata proportion of the charge applicable relevant to the number of days the Policy has been in existence during:

- (a) the Valuation Period which includes the Contract Date; and
- (b) the Valuation period which includes the Final Valuation Date if within the period relevant to this charge.

You may request us to change this charge in the future by writing to us at our Head Office. All Policyholders have to agree to the change. Any amendment will be subject to our approval which if granted will be actioned and take effect on the next Quarterly Date.

Any change will be communicated to you through your Online Service Account where you have one or by post.

19. AUTHORISED CUSTODIAN AMENDMENT CHARGE

- 19.1 The Authorised Custodian Amendment Charge will apply as a fixed monetary amount to cover our administration costs of making an amendment to the appointment of an Authorised Custodian.
- 19.2 The charge will apply on each transfer of assets from our Default Custodian to an Authorised Custodian and from an Authorised Custodian to our Default Custodian or between Authorised Custodians, other than the initial appointment of an Authorised Custodian.
- 19.3 The charge is shown in the 'Request to transfer assets' form in the Policy Currency.
- 19.4 This will be deducted from the Transaction Account held by us on the next Quarterly Date after the amendment is made or on the Final Valuation Date if applicable.
- 19.5 We will tell you about any change to the charge through the Online Service Account where you have one or by post at least one month before the change takes effect.
- 19.6 When reviewing the charge we will, on the advice of our Actuary, consider any change year-on-year to the rate of Isle of Man inflation since the last amendment to the charge and any changes to the level of the administration expenses incurred by us on each transfer of assets from our normal Custodian to an Authorised Custodian, from an Authorised Custodian to our normal Custodian or between Authorised Custodians and which are reasonable in amount and reasonably incurred. Any such change will be proportionate.
- 19.7 In exceptional circumstances our Actuary may advise us that it is appropriate to review the charge immediately, taking account of the facts in Term 19.4. We will inform you of this fact through your Online Service Account where you have one or by post. This may be after the revised charge is applied.

20. CHOOSING AND CHANGING THE ASSETS

- 20.1 The provider of the Asset may require the number of units or shares to be purchased or sold rather than using a cash value. Where we are instructed to buy or sell such an Asset using a cash value, we will use the previous day's closing price to convert the cash value into the number of units or shares to buy or sell the Asset. Market movements may result in a different cash value being applied to purchase or sell the Asset than the cash value we were instructed to use. We can accept no responsibility for any difference in the cash value in such circumstances. By requesting the number of units or shares to be purchased for these Assets, the difference in cash value can be avoided.

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