

# DETAILS OF YOUR **EUROPEAN EXECUTIVE INVESTMENT BOND – PRIIPS**

TERMS APPLICABLE (REF EO4V4)  
WITH OLD MUTUAL INTERNATIONAL IRELAND dac





This document was last updated in **June 2018**. 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 EUROPEAN EXECUTIVE INVESTMENT BOND – PRIIPS POLICIES (REF EO4V4)

### PART A – PRELIMINARY CONDITIONS

#### 1. THE CONTRACT

- 1.1 The European Executive Investment Bond - PRIIPs is a whole of life insurance policy providing benefits on the death of the relevant life or lives assured.
- 1.2 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').
- 1.3 The Terms applicable to your contract are:
- 1.3.1 Part A the Preliminary Conditions; and
  - 1.3.2 Part B the Special Conditions applying to Whole of Life Insurance Policies; and
  - 1.3.3 Part C the Special Fund conditions applying to European Executive Investment Bond - PRIIPs Policies; and
  - 1.3.4 Part D the General Conditions applicable to all Policies.
- 1.4 If your application asked us to issue more than one Policy then these Terms apply equally to each of the Policies. For our administrative convenience we may stipulate that all the Policies are dealt with in the same way for some transactions.
- 1.5 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. The fact that we may have by mistake or deliberately waived enforcement of a Term on an occasion 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 those which appear most often here. We show them here 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** means Old Mutual International Ireland dac. **You** and **your** and the **Policyholder** means the other party to this agreement when the contract is made. It also means a person who becomes the Policyholder in the future by legal transfer of ownership of the Policy or by becoming the legal representative to the estate of the relevant Policyholder on death.
- 2.2 **Actuary**  
Our officer who is responsible for providing advice on our sound and prudent financial management. He also has a professional duty to consider the interests of all of our Policyholders.

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##### Administration Centre

The address you must send your communications to, currently: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles.

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##### Allocated Units or Units

The notional shares in the investments of your Portfolio Fund as explained in Term 6. They are allocated when you pay a Premium.

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##### Allocation Percentage

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

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##### Charges Schedule

The schedule issued for the Policy or Policies showing the Portfolio Fund Charges that apply.

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##### Collective Investment Scheme

Any arrangement or arrangements with respect to property of any description, including money, the purpose or effect of which is to enable persons taking part in the arrangements (whether by becoming owners of the property or any part of it or otherwise) to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income.

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##### Contract Date

The date the contract for your Policy started, which is the date of our letter accepting your application.

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##### Death Benefit

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

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##### Deposit Fund

The OMI IE Deposit Fund denominated in the Policy Currency.

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##### Head Office

Our office as shown in the Schedule and our Administration Centre described in Term 23.1.

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##### Investments

The various types of asset described in Term 9 which may be assets of the Portfolio Fund.

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##### Life Assured

The person or persons named in the Schedule.

(continued)

### 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 23.2.4.2).

### Policy

The Policy issued to you following our acceptance of your application for your European Executive Investment Bond - PRIIPs. If you ask in your application then we will instead issue a series of Policies called 'a **Cluster of Policies**'.

### Policy Anniversary

Any anniversary of the Policy Date.

### Policy Currency

The currency shown in the Schedule in which the Premium and benefits are payable.

### Policy Date

The nominal date shown in the Schedule.

### Portfolio Fund or Fund

A separate identifiable account kept by us for calculating benefits under your Policy.

### Portfolio Fund Charges

The various charges for managing the Portfolio Fund and a Policy as explained in Term 20 and the Charges Schedule.

### Premium

Any premium you agree to pay to your Policy.

### Quarterly Date

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

### Schedule

The Schedule issued by us for your Policy. It shows the Policy number and the personal details about the Policy.

### Surrender Value

The value of the Allocated Units at the Selling Price less any Early Surrender Charge. Surrender Value is sometimes also known as the 'Encashment Value'.

### Third-Party Agent Charges

Charges for providing services to the Portfolio Fund by third parties.

### Valuation Date

A Working Day on which we value the Investments 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 Unless a different amount is shown in the Schedule or an endorsement, 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 When we receive your application at our Head Office we will consider it and any other information we need.
- 3.4 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.
- 3.5 We may need further information or items from you (for example proof of identity or payment of the Premium). The contract will then start:
- 3.5.1 On the Working Day that we receive the last of the information or items at our Head Office by post as provided by Term 23.2.4. If it is received later or by other means then the provisions of Term 23.2.4.2 will apply to decide the start date; or
- 3.5.2 On the Working Day that we know the Premium (if that is the last requirement) has been credited to our bank account.
- 3.6 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.

- 3.7** We may agree to payment of all or part of your Premium by a transfer into our ownership of stocks; shares; or units or shares in a Collective Investment Scheme. The Premium will (subject to Term 3.8) be the amount 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 and may result in a tax liability depending on your country of residence. We will not agree to payment of a Premium in this way where special cancellation provisions apply as stated in Term 4.6.1.1.
- 3.7.1 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.
  - 3.7.2 However, if transfer to us of the legal ownership of all the stocks; shares; or units does not take place at the same time then, provided:
    - 3.7.2.1 the net value of the stocks; shares or units first transferred into our ownership is at least equal to our minimum Premium stipulated at the time, we may accept that amount and start the contract.
  - 3.7.3 If the value transferred is less than our minimum stipulated Premium to take out a Policy, then we will normally hold it to your credit in a suspense account until the amounts transferred do meet our minimum stipulated Premium.
  - 3.7.4 We will not credit any interest or other addition to the amount so transferred.
  - 3.7.5 We will administer the net value of any later transfer of ownership as an additional Premium but not for the purposes of Term 4.5 below.
  - 3.7.6 This Term 3.7 will not apply to assets transferred to our ownership where they are already under the control of a requested Authorised Custodian as described in Term 8.
    - 3.7.6.1 In that event the Premium will not be considered as paid until the provisions of Term 3.7.1 applies to all the assets. However, if the assets include cash then we may agree to apply the provisions of Term 3.7.2.1 to that cash amount only.
- 3.8** You may offer to pay additional Premiums subject to our acceptance and to our minimum Premium stipulation at the time for a Policy or Cluster of Policies.

#### 4. CAN YOU CHANGE YOUR MIND AND CANCEL THE CONTRACT?

- 4.1** You may change your mind and cancel your commitment within 30 days of the earliest date you know the contract has started. This will normally be the date you receive our letter accepting your application.
- 4.2** If you wish to cancel the contract then you must advise us in writing at our Head Office.
- 4.3** As you bear the investment risk of the Policy, it is possible that the amount you will receive will be less than the Premium you paid. That will be so if the value of the Allocated Units falls between the Contract Date and the Notification Date.
- 4.4** Any part of the Premium paid by a transfer of assets to us as provided by Term 3.7 will be repaid by return to you of stocks, shares or units if requested by you or required by us.
  - 4.4.1 In that case, any direct and indirect expenses, taxes and any associated currency transactions incurred by us in relation to the transfer to us or back to you will be deducted if necessary by the sale of stocks, shares or units.
- 4.5** If at any time after the Contract Date you agree to pay an additional Lump Sum Premium, then you may change your mind and cancel your additional commitment within 30 days of the earliest date that you know we have accepted your additional Lump Sum Premium commitment. The provisions of Term 4.3 above will apply to such additional commitment amount and will be read accordingly.
- 4.6** Conflict with the law of the Member State applying to the Policy.
  - 4.6.1 If the provisions of Term 4.3 conflict with the law of the Member State applying to this Policy at the Contract Date then these Terms will be varied as follows:
    - 4.6.1.1 Should the law not allow repayment of an amount less than the Premium then the only permitted Funds will be cash funds such as the Deposit Fund. The amount repayable under Term 4.3 will then be the Premium you paid or the value of the Allocated Units if greater. You will be unable to change the Investments from such Funds until the 30-day cancellation period has expired.
    - 4.6.1.2 We will not agree to the payment of a Premium by transfer of assets to us unless the law also allows for return of those assets as described in Term 4.4.

## PART B – SPECIAL CONDITIONS APPLYING TO WHOLE OF LIFE INSURANCE POLICIES

### 5. WHAT BENEFIT IS PAYABLE ON DEATH?

- 5.1 If there are two or more Lives Assured named in the Schedule, then the **Relevant Life Assured** means the last of the Lives Assured to die.
- 5.2 If the Relevant Life Assured dies, a Death Benefit will become payable, provided the Policy has not been surrendered. Unless a different amount is shown in the Schedule or an endorsement, then the Death Benefit will be 101% of the Surrender Value.
  - 5.2.1 We will normally give instructions to sell the investments on the Notification Date. The Death Benefit will be calculated on the date that the last of the Investments has been realised and credited to the Transaction Account.
    - 5.2.1.1 Where the provisions of Term 5.7 apply to all or some of the Investments then calculation of all or part of the Death Benefit will be deferred in accordance with the provisions of that Term.
- 5.3 We will then cancel the Allocated Units.
- 5.4 Proof of death and title.
  - 5.4.1 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 and completion of a Claimant's Statement.
  - 5.4.2 Any expenses incurred in providing us with the proofs needed by Term 5.4.1 including any for translating documents and notaries or other fees are payable by the person claiming the Death Benefit.
- 5.5 We will pay interest on the Death Benefit.
  - 5.5.1 We calculate the interest we will pay using any difference in the selling price of units in the Deposit Fund on:
    - 5.5.1.1 the Notification Date; and
    - 5.5.1.2 the Working Day on which we agree to make payment and calculate the benefit payable.
  - 5.5.2 We reserve the right to use a different deposit type Fund.
- 5.6 We reserve the right to defer payment of the Death Benefit because of a situation such as referred to in Term 17.
- 5.7 What happens if Investments cannot be sold?
  - 5.7.1 It may not be possible to sell or dispose of Investments because of a situation such as referred to in Term 17 happening or because an Investment is valued less often than daily as explained in Term 10.2. In that case the Death Benefit, which is a capital sum, will be payable in one or more instalments.
    - 5.7.1.1 The first instalment will be for the value of the Investments which can be sold as though they were the only Investments for Term 5.2.1; and
    - 5.7.1.2 a further instalment or instalments will be made when the remaining Investments have been sold.
  - 5.7.2 If it is not possible to sell any of the Investments, 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 5.7.1.1.
- 5.8 Payment by transfer of assets to the Policyholder.
  - 5.8.1 If we require for any reason, including where Term 5.7.2 applies, then payment of all or part of the Death Benefit will be satisfied by transfer to the Policyholder of ownership of Investments linked to the Policy.
  - 5.8.2 The Policyholder may also ask that we agree to make payment of all or part of the Death Benefit by such transfer of ownership.
  - 5.8.3 If this Term applies we will agree a value of those Investments (taking into account any associated costs of the transfer and any outstanding Portfolio Fund Charges).
    - 5.8.3.1 If necessary we will sell assets to pay for the costs and outstanding Portfolio Fund Charges out of the Investments to be transferred.
  - 5.8.4 This Term 5.8 does not apply to Investments in our Internal Funds.
- 5.9 No further benefit will be payable under the Policy.

## PART C – SPECIAL FUND CONDITIONS APPLYING TO EUROPEAN EXECUTIVE INVESTMENT BOND – PRIIPS POLICIES

### 6. WHAT ARE THE PORTFOLIO FUND UNITS AND WHO OWNS THEM?

- 6.1 Your Policy is a unit-linked contract and we allocate your Premium to notional Units in the Portfolio Fund. This Fund contains one or more Investments described in Term 9, chosen by you. Each Unit represents a proportionate share of the value of the Investments. You have no legal or beneficial interest in the Units or the Fund or any underlying Investments, which remain our property.
- 6.1.1 The exercise of any right arising out of the ownership of any particular Investment will be at our sole discretion.
- 6.2 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.
- 6.3 We use the expressions 'buy' and 'sell' in these Terms because they are easy to understand. They do, however, only refer to buying and selling by us (or an Authorised Custodian where Term 8 applies) for our Funds and not any actions by a Policyholder.

### 7. APPOINTMENT OF A FUND ADVISER

- 7.1 Dictionary
- 
- Fund Adviser** A person or firm which is able to act on your behalf and give investment instructions to us and satisfies the requirements of Term 7.3.
- 
- 7.2 If you wish to appoint a Fund Adviser then you will need Terms of Business agreed between you. You may then request that your Fund Adviser makes any investment decisions about your Portfolio Fund on the express understanding that you retain full responsibility for the acts or omissions of the Fund Adviser. In certain circumstances, for example if required by the law of your country of residence, we may insist that you appoint a Fund Adviser.
- 7.3 We will need to be satisfied the Fund Adviser is regulated by any appropriate regulatory authority and has any qualifications we are required to consider for the investment function to be performed.
- 7.4 If the Fund Adviser is able to satisfy our requirements under Term 7.3 then we will require you to complete documentation which delegates your powers to the Fund Adviser.
- 7.5 Where the Selected Custodian facility is used and if the laws of your country of residence so require, then a Fund Adviser must be appointed.
- 7.5.1 We will also require the Fund Adviser 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.
- 7.6 We will act exclusively on an authority once granted until we are advised 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 including to a provider of a Collective Investment Scheme.
- 7.7 If we become aware that a Fund Adviser:
- 7.7.1 has been refused membership by, or has been expelled from, a professional organisation; or
- 7.7.2 is under investigation by, or has been the subject of disciplinary action by, a regulatory authority; or
- 7.7.3 has carried or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
- 7.7.4 has dealt with the Portfolio Fund contrary to Term 7.5,
- 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.

### 8. SELECTED CUSTODIAN ACCOUNT FACILITY

- 8.1 Dictionary
- 
- Authorised Custodian** A professional banker or other organisation, which is authorised by its regulator to provide custodian and depository services and which we have permitted.
- 
- 8.2 This facility is available in certain circumstances and enables you to use the services of an Authorised Custodian. You or your Fund Adviser will give investment instructions to the Authorised Custodian or providers of Investments as appropriate rather than us. The Authorised Custodian will then make all necessary arrangements for safe custody and release from custody of our assets to carry out the transactions.
- 8.3 The Authorised Custodian must be one acceptable to us and be suitable for Irish 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:
- 8.3.1 to buy further assets for the Portfolio Fund; or
- 8.3.2 to enable us to pay or to authorise the payment of benefits and the costs of custodianship and Portfolio Fund Charges; and
- 8.3.3 where we agree, to debit the costs of investment management by the Fund Adviser to your Portfolio Fund.
- 8.4 As stated in Term 21 the Authorised Custodian's normal charges will be debited to the Portfolio Fund on the Valuation Date unless debited to the Transaction Account earlier.

## 9. WHAT TYPES OF INVESTMENT CAN BE INCLUDED IN YOUR PORTFOLIO FUND?

### 9.1 Dictionary

#### Bank Deposit

A bank or similar deposit whether on call, notice, or for a fixed term.

#### Internal Fund

Any one of the funds we make available to one or more classes of Policyholder, subject to any minimum value of units that applies at the time

#### External Fund

Close-ended Collective Investment Schemes such as Investment Trusts; UCITs; open-ended Collective Investment Schemes established and authorised under the laws of Ireland; open-ended regulated Collective Investment Schemes established under the laws of any EU member state; any other open-ended regulated Collective Investment Scheme acceptable to us wherever domiciled.

#### Transaction Accounts

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

#### UCIT

An undertaking in collective investments in transferable securities authorised under Council Directive No 85/611/EEC as amended/supplemented.

### 9.2 Internal Funds

9.2.1 Your Portfolio Fund may include units in one or more of our Internal Funds provided the value of the units in any fund is at least of the minimum value we stipulate at the time.

9.2.2 We may keep, create and close Internal Funds at our sole discretion.

### 9.3 Bank Deposits

9.3.1 Your Portfolio Fund may include a Bank Deposit provided the value is at least of the minimum we stipulate at the time.

9.3.2 Normally any such deposit will be in the Policy Currency.

9.3.3 We may offer access to deposits from several banks or deposit takers where we may have been able to negotiate preferential terms for our Policyholders. 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.

9.4 Your Portfolio Fund must include a credit balance in the Transaction Account, Units in the Deposit Fund or a call or short notice Bank Deposit to simplify payment of Portfolio Fund Charges. In addition it will be required to fund Third-Party Agent Charges and payment of any Regular Withdrawals. This may also avoid the need for us to have to sell other Investments perhaps with disproportionate costs of sale.

### 9.5 Stocks and shares

9.5.1 Your Portfolio Fund may include stocks and shares quoted on a principal Stock Market which is recognised by us, provided any holding of a stock or share is at least of the minimum value we stipulate at the time, being:

9.5.1.1 government debt instruments;

9.5.1.2 corporate debt instruments;

9.5.1.3 equity and preference shares in a company (but excluding any Quilter plc companies).

9.5.2 We may refuse to consider a holding of shares and may in particular refuse any holding which would result in our holding more than 5% of the issued share capital of a company.

### 9.6 External Funds

9.6.1 Your Portfolio Fund may include Units or shares in an External Fund provided that the value of the Units or shares in any Fund is at least of the minimum value we stipulate at the time.

9.6.1.1 Normally any dividends will be reinvested into the same Investment 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 Investment.

9.6.2 An External Fund must meet the conditions of Irish regulations for linked life insurance assets.

9.6.3 We 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.

### 9.7 Transaction Account

9.7.1 The Transaction Account applicable to your Policy will be in the Policy Currency. If your Investments include any denominated in other currencies then we will also use Transaction Accounts in those currencies.

9.7.2 Any credit or debit balance applicable to your Policy is an Investment within your Portfolio Fund.

9.7.3 We credit all Premiums and proceeds of sale of Investments to the Transaction Account. Normally any dividends will be reinvested into the same Investment 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 Investment.

9.7.4 We debit the Transaction Account with all amounts for payments of

9.7.4.1 benefits; and

9.7.4.2 the costs of buying Investments; and

9.7.4.3 Portfolio Fund and Third-Party Agent Charges.



- 9.7.5 We may adjust the balance in the Transaction Account by an account adjustment. Any such adjustment will be a credit or debit capital amount depending on the balance of the account. The adjustment rates are not competitive with and do not reflect open market interest rates. The rates used are available on request. Holding Funds in the Transaction Account may result in lower Portfolio Fund Charges overall as such Funds are not subject to the Investment Dealing Charge explained in Term 20.2.
- 9.7.6 We require any debit balance to be cleared at the Quarterly Date by cancelling Units in the Deposit Fund or our realising cash in a Bank Deposit or a credit balance in the Transaction Account.
- 9.7.6.1 In the unlikely event that the debit balance exceeds any available cash balances from the Deposit Fund, any Bank Deposits or a credit balance in the Transaction Account, then we will sell Investments in the same manner as for a part surrender as described in Term 18.2.4 and 18.2.5 unless you have given us alternative instructions.
- 9.7.6.2 Should the amount available appear to us to be insufficient to pay for Portfolio Fund Charges and any Regular Withdrawals for a reasonable period, then we will also sell Investments on the same terms as stated in Term 9.7.6.1.
- 9.7.7 Should we have linked the Account Adjustment in respect of any balance to the rate of return obtained in a holding of our assets in a bank deposit, then the provisions of Term 12.1.1 apply so that any credit balance could become valueless.
- 9.8 We reserve the right to consider other assets as potential Investments for the Portfolio Fund subject always to there being suitable assets for a unit-linked life assurance fund.
- 9.9 Right to dispose of Investments
- 9.9.1 We reserve the right to dispose of any Investment if we have reasonable grounds to consider that it is no longer a suitable asset for a unit-linked life assurance fund. We may also do so if we become aware for example that it ceases to be considered suitable by a regulatory authority. We will advise you if we take any such action at the first practical opportunity.

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

- 10.1 Where we consider that it is in the interests of Policyholders (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 your Investments unless you provide a dealing instruction.
- 10.2 We may terminate an Internal Fund for all Unit holdings. An example of this could be where we consider it to be uneconomic to continue to operate a Fund.
- 10.2.1 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.
- 10.2.2 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. You may choose one or more other Internal Funds as explained in Term 14.2.
- 10.2.3 If you do not make a choice, then we will hold the proceeds from the closure or other termination of an Internal Fund in the Deposit Fund.
- 10.3 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 you of any such action as soon as practical after we are advised of it.
- 10.4 Provided we have complied with the provisions of this Term 10 then you may exercise your right to cancel the Policy. This will not enable you to do so without incurring any Early Surrender Charge if it applies to your Policy.

## 11. FUNDS AND BANK DEPOSITS WITH SPECIAL CONDITIONS

- 11.1 Some External Funds and Bank Deposits may impose a minimum investment amount which is higher than that imposed by us for Internal Funds. These requirements may also mean that such an Investment 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 Deposit Fund until you give us alternative instructions.
- 11.2 We may allow External (or Internal) Funds which are valued less often than is normal 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 and sometimes buying of such Investments being delayed.
- 11.2.1 The Portfolio Fund cannot consist solely of such Funds as that would mean that we would be unable to deduct the value of any Portfolio Fund Charges required by these Terms. In particular we will still require a holding in either the relevant Deposit Fund, a Bank Deposit on call or at short notice or a credit balance in the Transaction Account.
- 11.2.2 Transactions which would involve an early sale of such Investments can only be allowed if the provider agrees. This may incur an early redemption penalty and so reduce the value of the Portfolio Fund and the amount available to you.
- 11.2.2.1 In that case payment of the sale proceeds may be delayed until the next date the Investment is valued.
- 11.3 We may allow Investments which advertise guaranteed returns. It is for you (or your Fund Adviser on your behalf) to satisfy yourself of the likelihood of the guarantee being met. We accept no responsibility for, and offer no advice about, the value of any such guarantee.
- 11.4 We may also allow Investment into funds which are 'professional or experienced investor funds'. Such funds are not intended for retail sale to private investors. However, by investing indirectly through an insurance policy the investor into the fund is the insurance company and so is a professional or experienced investor.
- 11.4.1 Such funds by their nature usually involve a high degree of risk and often have a minimum investment duration, and we can accept no responsibility if investment into such a fund is chosen.
- 11.4.2 It is normal for the provider to insist on the investor confirming the risks are understood before allowing the investment to be made, and you should appoint a financial adviser to request the use of such a fund.
- 11.4.3 Investment must be for at least the amount required for direct investment into the Fund.

- 11.4.4 Investment into such a fund is subject to the conditions that:
  - 11.4.4.1 the provisions of Term 12.1 apply so you accept the investment risks; and in addition
  - 11.4.4.2 you and your Fund Adviser have read the prospectus and risk warnings issued by the provider including any disclaimer they require a professional or experienced investor to sign; and you are prepared to accept those added risks; and
  - 11.4.4.3 you understand that there may be a significant redemption penalty should you wish to surrender the Policy or replace the particular Fund.

## 12. INVESTMENT RISKS AND RESPONSIBILITIES

### 12.1 You accept the investment risk.

- 12.1.1 We accept no responsibility for the investment performance of an Investment. The value of shares and Units can fall as well as rise and they as well as Bank Deposits could in exceptional circumstances become valueless either temporarily because of suspension, or permanently. You accept this risk by taking out this Policy.
- 12.1.2 It is for you (or your Fund Adviser) to decide which Investments are most suitable to your needs. We do not give investment advice. The fact that we may allow or refuse a particular Collective Investment Scheme, stock, share or Bank Deposit as an Investment does not indicate any judgement by us about its investment potential or the propriety of the provider of the asset.
- 12.1.3 By asking us to include an External Fund, stock, share or Bank Deposit in your Portfolio Fund, you or your Fund Adviser on your behalf, expressly agree to accept the risk that for any reason whatsoever management of the Investment 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 External Fund, stock, share or Bank Deposit to the extent you or your Fund Adviser consider necessary.

### 12.2 We have no responsibility for management of an External Fund, Bank Deposit, stock or share.

- 12.2.1 The provider of the Collective Investment Scheme controls the investment policy of an External Fund as does the provider of a Bank Deposit.
- 12.2.2 Our agreeing to your request to allow inclusion of an External Fund, Bank Deposit, stock or share in your Portfolio Fund does not constitute acceptance of any degree of responsibility by us for the proper management of such Investment.
- 12.2.3 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. Similarly, we have no control over the manager of a company whose stock or shares may be an Investment.

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

### 13.1 The Allocation Percentage is shown in the Schedule.

### 13.2 Each time you pay a Premium we multiply it by the Allocation Percentage to calculate the amount used to buy Investments for the Portfolio Fund.

### 13.3 We credit that amount to the Transaction Account to buy your chosen Investments at the appropriate price for that Investment. We will then debit the Transaction Account with the costs of the transaction.

- 13.3.1 For both an Internal and an External Fund and stocks and shares, the buying price will normally be that applicable to purchases of Units, shares or stock on the Working Day that:
  - 13.3.1.1 the Premium is confirmed as credited to our bank account (provided there is enough information to identify the payment to the Policy); or
  - 13.3.1.2 if the Premium is paid by other means, the date the amount is credited to the Transaction Account; or
  - 13.3.1.3 the Contract Date if later.
- 13.3.2 If you choose an Investment where we have to carry out an asset review to ascertain if it meets our requirements, we will advise you of that fact. The purchase will then be made at the first dealing date administratively available to us following completion of an acceptable asset review. Until that time the relevant proportion of the Allocation Percentage will be retained in the Transaction Account. If the asset review confirms that the asset is not acceptable to us then we will advise you of that and you may give us alternative instructions.
- 13.3.3 The dates shown in Term 13.3.1 are not binding. They depend on our having received the Premium or the relevant notification in enough time to enable us to buy Investments before any administrative dealing time deadline laid down by us or any provider of Investments. We may issue indicative dealing time deadlines for your guidance.
- 13.3.4 The prices for stocks, shares and any External Fund will be the best available to us at the time and will normally be the buying or mid-market price depending on the particular investment.
- 13.3.5 For a Bank Deposit then the deposit will normally be made on the dates shown in Term 13.3.1.

## 14. HOW CAN YOU CHOOSE INVESTMENTS AND HOW CAN YOU CHANGE THEM?

### 14.1 Making your first Investment choice.

- 14.1.1 You can elect in your application (or other communication acceptable to us):
  - 14.1.1.1 the Investments you have chosen; and
  - 14.1.1.2 how much of your Premium is to be allocated to each Investment.

- 14.1.2 On the Contract Date we must allocate all relevant amounts to the Transaction Account to allocate Units in our Internal Funds or to buy other Investments for the Portfolio Fund.
- 14.1.3 If you have a Cluster of Policies then the Investments will be allocated proportionately to each Policy subject to any rounding adjustment.
- 14.1.4 If we are unable to buy one or more of your chosen Investments, then the relevant amount will be allocated to Units in the Deposit Fund. This may happen if your election is illegible or the Investment name you have selected does not exist, or if a situation such as referred to in Term 17 applies.
- 14.2 How can you change your choice of Investments?
  - 14.2.1 You may change your Investments by completing a dealing instruction form (or other communication acceptable to us).
  - 14.2.2 Your instruction must meet our reasonable requirements at the time. These requirements may include a minimum value of Investments to be bought or sold and for receipt by us as provided in Term 23.2.4.
- 14.3 If you have a Cluster of Policies then the Investments will be allocated proportionately to each Policy subject to any rounding adjustment.
- 14.4 We will normally only buy an Investment if:
  - 14.4.1 there is enough cash balance in the Deposit Fund (or a Bank Deposit which is on call) or a credit balance in the Transaction Account to fund the transaction and to pay any related direct and indirect expenses and taxes and any associated currency transactions; or
  - 14.4.2 there is a simultaneous sale of an Investment which will provide enough cash.
- 14.5 If you request a sale of an Investment to purchase an asset which requires us to carry out an asset review then we will carry out the sale at the next dealing time available to us following receipt of your dealing instruction unless you advise us to the contrary.
- 14.6 We will credit the proceeds of sale after all direct and indirect expenses and taxes of the sale and any associated currency transactions to the Transaction Account.
- 14.7 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 buy Units for the new choice of Internal Funds on the Working Day following that on which we sell the Units in the existing Internal Fund. We will give you notice of such a change of practice.
- 14.8 If all or any part of your instruction to buy or sell an Investment is illegible or otherwise incapable of being carried out then we 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.
- 14.9 We reserve the right to defer a dealing instruction because of a situation such as referred to in Term 17.
- 14.10 We reserve the right to agree to change the timings indicated in this Term to take advantage of improvements in communication and the possibility of multiple dealing points in a day.
- 14.11 What happens if instructions to sell have a higher value than instructions to buy?
  - 14.11.1 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 dealing instructions which account for the full value of the Investments. Any credit balance in the Transaction Account will be shown in the next statement issued following the Quarterly Date.
- 14.12 Using the Selected Custodian facility.
  - 14.12.1 The provisions of Term 14.2 to 14.6 and 14.8 to 14.11 apply with any necessary modifications where you or a Fund Adviser instruct an Authorised Custodian or a provider as appropriate rather than us.
- 14.13 Dictionary
  - 14.13.1 **'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.
  - 14.13.2 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.
  - 14.13.3 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.
  - 14.13.4 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.

## 15. WHEN AND HOW IS THE PORTFOLIO FUND VALUED?

### 15.1 Dictionary

#### Valuation Period

The period up to the relevant Valuation Date since the last Valuation Date.

### 15.2 What happens on the Contract Date?

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

15.2.1.1 the Premium multiplied by the Allocation Percentage; less 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.

15.2.2 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.

### 15.3 What happens on the Quarterly Date or the Final Valuation Date?

15.3.1 We will calculate the value of the Investments as at the Quarterly Date or the Final Valuation Date using the latest published prices available to us, or for the latter date the actual proceeds of disposal of Investments.

15.3.1.1 For Internal Funds we will use the latest selling price and for External Funds the mid-market or normal selling price.

15.3.1.2 We will not be liable for any losses arising out of any incorrect or erroneous pricing of an External Fund.

15.3.1.3 For stocks and shares listed on a Stock Exchange we will use the mid-market price.

15.3.1.4 For Bank Deposits, we will use the latest deposit value without allowance for any interest which has not accrued except for the Final Evaluation.

15.3.1.5 If we have exceptionally agreed to the Portfolio Fund including Investments which are not readily realisable, then we will require a qualified accountant or other appropriate professional to value any such assets.

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

15.3.3 We will deduct from that value:

15.3.3.1 a proportion of the Regular Policy Management Charge for the Valuation Period;

15.3.3.2 each Portfolio Fund Charge which applies for the Valuation Period;

15.3.3.3 any Third-Party Agent Charges which have been debited to the Transaction Account during the Valuation Period and any other debit balance in the Transaction Account.

15.3.3.4 any actual or prospective tax, levy or other charge against the assets or income of the Portfolio Fund for the Valuation Period.

15.4 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.

15.5 We will carry out the valuation within a reasonable period following the Quarterly Date.

15.6 We may agree to provide you with a valuation statement at other times and subject to our right to impose a reasonable charge for the administration costs incurred.

### 15.7 How we value an Internal Fund.

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

15.7.2 The value of Investments is an amount between:

15.7.2.1 the buying prices of those Investments (plus any associated costs of buying them) – the 'Maximum Buying Price'; and

15.7.2.2 the selling prices of those Investments (plus any associated costs of selling them) – the 'Maximum Selling Price'.

15.7.3 Investments held in currencies other than the fund currency will be converted at prevailing currency exchange rates at the Valuation Point.

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

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

15.7.5.1 a proportion of its annual management charge; and

15.7.5.2 such amounts as we consider proper for payments and expenses incurred in the management, maintenance and valuation of the Fund and its Investments. These include our administration costs, Fund managers' fees and custodian fees.

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

15.7.7 The prices of Units or shares in underlying collective Investment Funds and schemes will implicitly reflect the underlying annual management charge and expenses for those Investments.

15.7.8 We will deduct from the value of an Internal Fund, where appropriate, amounts for:

15.7.8.1 withholding tax liabilities in respect of Investment income; and

15.7.8.2 an amount for the share of any actual or prospective levy or other charge on the Investments or income of the Fund that we consider proper.

**15.8 Calculation of Internal Fund Unit prices**

- 15.8.1 We will calculate the Buying Price of a Unit by taking the value of the Internal Fund calculated as described in Term 15.7, dividing it by the number of Units then in existence in that Fund, multiplying the result by 100/93 and truncating the result to three decimal places.
- 15.8.2 We will calculate the Selling Price of a Unit by multiplying the Buying Price we have calculated as described in Term 15.8.1 by 93/100 and rounding up the result to three decimal places.
- 15.8.3 We may from time to time decide in the interests of fairness to change the basis for valuing the Investments, subject to the limits described in Term 15.7.2.

**15.9 What happens if you pay a further Premium or take a part surrender?**

- 15.9.1 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).
- 15.9.2 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).
- 15.9.3 Our use of the prices referred to in Term 15.9.1 and 15.9.2 is solely for our administrative convenience and will not disadvantage you in any way.

**15.10 We reserve the right to change the Quarterly Date for administrative reasons.****16. SALE OF INVESTMENTS TO PAY FOR CHARGES AND PART SURRENDER BENEFITS**

- 16.1 Provided there is sufficient value in the Deposit Fund or a Bank Deposit then we will normally use those Investments or any balance in the Transaction Account to pay for Portfolio Fund Charges and part surrender benefits.
- 16.2 You or your Fund Adviser may give us specific instructions to sell other Investments.
- 16.3 If we are unable to use Investments as provided by Term 16.1 above and in the absence of any other instructions we will normally sell Investments which had the highest value at the last Valuation Date.
- 16.4 If we consider selling Investments with the highest value would result in disproportionate costs of sale, or if the Investment has restricted dealing days or trading in it has been suspended then:
  - 16.4.1 we may sell whichever Investments we consider suitable;
  - 16.4.2 any instruction to sell Investments will normally be placed on the Notification Date.
- 16.5 We reserve the right to defer a sale of Investments because of a situation such as referred to in Term 17.

**17. DEFERRAL AND DECLINATURE OF TRANSACTIONS**

- 17.1 Where we consider it to be in the interests of Policyholders generally (for example, prevailing stock market conditions) we may defer any transaction involving the creation or cancellation of Units in an Internal Fund for up to two weeks. However, where an Internal Fund has a direct or indirect real property element, deferral may be for a period not exceeding 12 months.
- 17.2 We may defer any transaction involving buying or selling an Investment to a date we consider appropriate and equitable in the circumstances, having regard to the interests of policyholders generally if:
  - 17.2.1 dealings in an underlying Collective Investment Scheme into which an Internal Fund invests or in an asset directly held by such scheme has been suspended; or
  - 17.2.2 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
  - 17.2.3 we, or the manager on behalf of an underlying Fund into which an Internal Fund invests:
    - 17.2.3.1 is unable to repatriate money to make payments following cancellation of Units; or
    - 17.2.3.2 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
  - 17.2.4 other circumstances preclude calculating fair and accurate prices for Units.
- 17.3 The provider of an External Fund may exercise similar rights of deferral.
- 17.4 You should be aware that for a property fund, the value of property is generally a matter of the opinion of a valuer rather than fact.
- 17.5 Where we consider that a transaction in one of our Internal Funds would adversely affect the interests of Policyholders generally with Units in that Fund then we reserve the right to decline to carry out the transaction without prior notice rather than defer it in accordance with Term 17.1. We accept no responsibility for any economic or other loss occasioned by our exercising this right in good faith.
- 17.6 The provider of an External Fund may exercise a similar right to decline an instruction to carry out a transaction from us.

## PART D – GENERAL CONDITIONS APPLICABLE TO ALL POLICIES

### 18. CAN YOU GET MONEY OUT OF YOUR POLICY?

#### 18.1 Total surrender of the Policy (or one or more Cluster Policies).

- 18.1.1 You can surrender your Policy and receive the Surrender Value.
- 18.1.2 If you have a Cluster of Policies any one or more may be surrendered. If a request to surrender a Policy would result in the value of the remaining Cluster of Policies being below our minimum stipulated value at the time then we may decline your request unless you instruct us to surrender all of the remaining Cluster of Policies.
- 18.1.3 We will normally give instructions to sell the Investments on the Notification Date.
- 18.1.4 If the Early Surrender 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 20.6.
- 18.1.5 We reserve the right to defer any request for surrender because of a situation such as referred to in Term 17.
- 18.1.6 On total surrender, your Policy will end and no further benefits will be payable.

#### 18.2 Part surrender of the Policy.

- 18.2.1 If you have a Cluster of Policies then any part surrender must be made by selling Investments in each of your Policies. This means that all the Policies will remain of the same value and with the same Investments (subject to any rounding adjustments). You may instead totally surrender one or more Policies.
- 18.2.2 The Early Surrender Charge section of the Charges Schedule sets out the period (expressed as a full number of years after the payment of the Premium during which the Early Surrender Charge will apply.  
  
Should a part surrender take place during this period then an Early Surrender Charge will become payable. However, we will not impose such Early Surrender Charge at that time if following the part surrender:
  - 18.2.2.1 The remaining Portfolio Fund value is equal to or more than 25% of the Premium; and
  - 18.2.2.2 the Surrender Value exceeds our then current published minimum value for the Policy or 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 Portfolio Fund value is €170,000 and the remaining Surrender Value is €165,000 which is higher than 25% of the Premium and higher than our current minimum monetary value of the Policy or Cluster of Policies (say €15,000). Therefore an Early Surrender Charge will not be imposed at the time of the part surrender.

An Early Surrender Charge would apply at the time of the part surrender where after the part surrender the remaining Portfolio Fund value was less than €75,000 but only in respect of the amounts falling below €75,000.

- 18.2.3 The Regular Policy Management Charge, detailed in Term 20.4, will continue to be payable as though a part surrender had not occurred.
- 18.2.4 Unless you or your Fund Adviser request otherwise, we will normally sell assets from the Investment or Investments having the highest value at the last Valuation Date.
- 18.2.5 If we consider selling Investments with the highest value would result in disproportionate costs of sale, or if the Investment has restricted dealing days or trading in it has been suspended then:
  - 18.2.5.1 we may sell whichever Investments we consider suitable;
  - 18.2.5.2 any instruction to sell Investments will normally be placed on the Notification Date.
- 18.2.6 We reserve the right to defer any request for part surrender because of a situation such as referred to in Term 17.
- 18.2.7 We may decline your request for a part surrender if it would result in the value of your Policy being less than our minimum stipulated value at the time for maintaining a Policy or a Cluster of Policies. You may instead totally surrender the Policy or Cluster of Policies.

#### 18.3 Regular Withdrawals.

- 18.3.1 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.
- 18.3.2 Regular Withdrawals may be taken on a yearly, half-yearly, quarterly or monthly basis, subject to our minimum withdrawal limit and any minimum premium amount at the time. If you have a Cluster of Policies then the part surrenders will be made on the same basis as in Term 18.2.1.
- 18.3.3 It is recommended that Regular Withdrawals be funded from the Deposit Fund, a Bank Deposit or a credit balance in the Transaction Account. If there is insufficient cash in the Deposit Fund, a Bank Deposit or the Transaction Account then we will sell Investments as provided by Terms 18.2.4 and 18.2.5.
- 18.3.4 We reserve the right to cancel any request for Regular Withdrawals because of a situation such as referred to in Term 17.
- 18.3.5 We may stop Regular Withdrawals if it would result in the value of your Policy being less than our minimum value at the time for maintaining a Policy or a Cluster of Policies.

**18.4** What happens if an Investment cannot be sold?

- 18.4.1 It may not be possible to sell or dispose of Investments because of a situation such as referred to in Term 17 happening. In that case if:
  - 18.4.1.1 you asked for Regular Withdrawals and there is insufficient value in the Deposit Fund or a Bank Deposit or credit balance in the Transaction Account then we will normally sell Investments which had the highest value at the last Valuation Date. If we consider to do so would result in disproportionate costs of sale then we may sell whichever Investments we consider suitable;
  - 18.4.1.2 it is not possible to sell or dispose of any Investments then Regular Withdrawals will be cancelled and will only be reinstated on our receiving further instructions from you;
  - 18.4.1.3 your request is not for Regular Withdrawals then we will not carry it out until you confirm in writing your agreement for us to sell or dispose of Investments as provided by Term 18.4.1.1 or Term 18.6.

**18.5** Any request for a surrender is subject to our reasonable requirements including proof the Policyholder is entitled to the Policy. These requirements may also include return of the Schedule and a surrender discharge form.**18.6** Surrender by transfer of assets to you.

- 18.6.1 Provided it is permitted by law and regulations, and if we require and with your consent including where Term 18.4 applies, then payment of all or part of a surrender benefit will be satisfied by transferring the ownership of Investments linked to the Portfolio Fund to you.
- 18.6.2 You may also ask that we agree between us to make payment of all or part of a surrender benefit by such transfer of ownership.
  - 18.6.2.1 In those circumstances we will between us agree a value of those Investments (taking into account any associated costs of the transfer and any outstanding Portfolio Fund Charges).
  - 18.6.2.2 If necessary we will sell assets to pay for the costs and outstanding Portfolio Fund Charges out of the assets to be transferred.
- 18.6.3 This Term 18.6 does not apply to Investments in our Internal Funds.

**19. WHAT ARE THE PORTFOLIO FUND CHARGES AND HOW ARE THEY PAID?****19.1** The Charges Schedule which forms a part of the Policy shows the details of each Portfolio Fund Charge that may apply to your Policy.**19.2** All the Charges described in this and the following Term 20 are deducted in arrears from the Portfolio Fund and debited to the Transaction Account before we calculate the Unit price at the next Quarterly Date. Any outstanding charge will also be deducted from the 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 European Executive Investment Bond - PRIIPs.**19.3** Your Charges Schedule will show which charges basis you have agreed to.**19.4** What happens if Investments in the Portfolio Fund cannot be sold?

- 19.4.1 There may not be enough cash in the Deposit Fund, a Bank Deposit or credit balance in the Transaction Account to pay the Portfolio Fund Charges. It may also not be possible to sell Units or shares in any other Investments because of a situation such as referred to in Term 17 happening. In that case the outstanding charges will be carried forward as a debit balance on the Transaction Account until Investments can be sold so that Term 9.7.6 will not apply.

**19.5** Investing into Internal Funds.

- 19.5.1 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 into Internal Funds then we will make a credit against the Regular Policy Management Charge reflecting the internal annual management charge of that Fund or Funds. This will result in either a lower Regular Policy Management Charge or a credit to the Transaction Account.

**19.6** External Fund charges and other expenses.

- 19.6.1 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. Investment Trusts and similar schemes may be subject to Stamp Duty and management charges.

**20. PORTFOLIO FUND CHARGES****20.1** 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 issued with these Terms. It will also show the amount, duration, and the basis for calculating the charge. In addition, various other charges imposed by third parties may apply as explained in Term 21.**20.2** Investment Dealing Charge

- 20.2.1 This charge applies to each separate transaction to buy and each transaction to sell an investment including the sale of investments to pay for Portfolio Fund Charges. Such transactions include:
  - 20.2.1.1 each placement of money into Bank Deposits on call or notice
  - 20.2.1.2 each opening of a fixed term deposit (and any subsequent renegotiation of a term)
  - 20.2.1.3 any transaction in our Internal Funds including a request to cancel units to pay for Portfolio Fund Charges.
- 20.2.2 This charge does not apply to money withdrawn from a Bank Deposit, or the proceeds of a matured fixed term deposit where such money is either used to pay for Portfolio Fund Charges or remains credited to the Transaction Account.
- 20.2.3 The amount of the charge will be disclosed in information published by us.
- 20.2.4 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 costs and expenses incurred by us in carrying out these activities.

**20.3 Establishment Charge**

- 20.3.1 This charge will apply in arrears on each Quarterly Date for the number of full years shown in the Charges Schedule.
- 20.3.2 We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence for:
  - 20.3.2.1 the Valuation Period which includes the Policy Date; and
  - 20.3.2.2 the Valuation Period up to the Final Valuation Date where the Final Valuation Date occurs during the number of full years the Establishment Charge applies
- 20.3.3 The charge will be based on either:
  - 20.3.3.1 the Relevant Premium; or
  - 20.3.3.2 the higher of the Relevant Premium paid or the value of the Portfolio Fund in respect of that Premium
  - 20.3.3.3 The proportion of the value of the Portfolio Fund in respect of the Relevant Premium.
- 20.3.4 If a part surrender is taken from the Policy, the Establishment Charge, detailed in Term 20.3.3, will continue to be payable as though a part surrender had not occurred.
- 20.3.5 A separate charge will apply in respect of each additional Premium.

**20.4 Regular Policy Management Charge**

- 20.4.1 One or more Regular Policy Management Charges may apply to your Policy depending on the charging structure you have chosen. The charge may relate to payment of fund-based commission to your Fund Adviser or to cover the costs of administering the Fund which to which your Policy is linked.
- 20.4.2 This charge will apply in arrears on each Quarterly Date for the number of full years shown in the Charges Schedule and from the date shown in the Charges Schedule.
- 20.4.3 We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence for:
  - 20.4.3.1 the Valuation Period which includes the date this charge starts as detailed in the Charges Schedule; and
  - 20.4.3.2 the Valuation Period up to the Final Valuation Date where the Final Valuation Date occurs during the number of full years this charge applies.
- 20.4.4 The charge will be based on either:
  - 20.4.4.1 the Premium; or
  - 20.4.4.2 the value of the Portfolio Fund in respect of such Premium; or
  - 20.4.4.3 the higher of the Premium paid or the proportion of the value of the Portfolio Fund in respect of that Premium; or
- 20.4.5 If a part surrender is taken from the Policy or Cluster of Policies then the Regular Policy Management Charge detailed in Term 20.4.4 will continue to be payable as though a part surrender had not occurred.

**20.5 Administration Charge**

- 20.5.1 This charge is the monetary amount shown in the Charges Schedule payable in Euros 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.
- 20.5.2 For other Policy Currencies, the charge will be converted from Euros 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 will expose you to exchange rate fluctuations.
- 20.5.3 The amount of this charge is reviewed yearly and may be altered with any amendment normally applying from January each year.
- 20.5.4 When reviewing the charge we will, on the advice of our Actuary, consider only any change year on year to the rate of Irish inflation since the last amendment to the charge and to any changes in the level of administration expenses incurred by us affecting the contract and which are reasonable in amount and reasonably incurred. Any such change will be proportionate.
- 20.5.5 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 20.5.4 above.
- 20.5.6 We will advise you of any amendment to this charge at the first practical opportunity.

**20.6 Early Surrender Charge**

- 20.6.1 This charge applies on total or part surrender of your Policy or a Cluster of Policies before it has been in existence for the complete number of years from payment of a Premium shown in your Charges Schedule. It also applies if the amounts of such part surrenders result 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 Policy or Cluster of Policies.
- 20.6.2 The charge will be the relevant percentage of the value of the Allocated Units in respect of:
  - 20.6.2.1 The amount of the Premium; or
  - 20.6.2.2 The higher of the amount of the Premium or the proportion of the value of the Portfolio Fund in respect of that Premium; or
  - 20.6.2.3 The proportion of the value of the Portfolio Fund in respect of the Premium depending on the time since payment of the Premium as shown in the Charges Schedule.
- 20.6.3 A separate charge will apply in respect of each additional Premium that is paid.



## 20.7 Currency Dealing Charge

- 20.7.1 We reserve the right to impose a Currency Dealing Charge if our Actuary advises it is reasonable to do so to reflect the administration and bank costs incurred by us. This charge may then apply to each conversion from one currency to another to buy an Investment or convert the proceeds of sale of an Investment into the Policy Currency.
- 20.7.2 The charge will be debited to the Transaction Account.
- 20.7.3 If we intend to impose this charge then we will inform you in reasonable time before it is introduced and will issue an amended Charges Schedule including details of the charge.

## 21. THIRD-PARTY AGENT AND OTHER CHARGES

### 21.1 Third-Party Agent Charges.

- 21.1.1 Various charges may be incurred by your choosing to have a Portfolio Fund and especially if you choose a Selected Custodian Account facility together with the services of a Fund Adviser.
- 21.1.2 These charges will be met from the Transaction Account and debited to the Portfolio Fund at each Valuation Date unless debited earlier.
- 21.1.3 As examples, these charges may include:
  - 21.1.3.1 safe custody charges imposed by our normal Custodian or another Custodian as described in Term 8;
  - 21.1.3.2 currency conversion charges for payment of any benefit in other than the Policy Currency;
  - 21.1.3.3 remittance charges to pay benefits by a method requested by you.

## 22. OTHER CHARGES – DIRECT AND INDIRECT EXPENSES, TAXES AND ASSOCIATED CURRENCY TRANSACTIONS

### 22.1 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.

- 22.1.1 These charges may be imposed in the currency of the transaction even if it is not the Policy Currency.
- 22.1.2 As examples, these charges may include:
  - 22.1.2.1 charges imposed by a banker for a telegraphic transfer;
  - 22.1.2.2 stockbrokers' commission;
  - 22.1.2.3 stamp duty or other fiscal imposition on a sale or purchase;
  - 22.1.2.4 withholding taxes.
- 22.1.3 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.

## 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 elections or requests affecting your Policy, then the election or request must:
  - 23.1.1.1 have been received at our Head Office; and
  - 23.1.1.2 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 and completion of a standard request or discharge form.
- 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?
  - 23.1.4.1 'Received' means that we have received the relevant item by postal delivery at our Head Office on a Working Day by 11.00 Irish time.
  - 23.1.4.2 If we receive an item by later postal delivery, or by any other means of communication then it will be treated as being received on the next Working Day or when received at our Head Office if later. This applies for example to private delivery and courier services.
  - 23.1.4.3 If we receive an item other than at our Head Office it will be treated as received when actually received at our Head Office.
- 23.1.5 To protect your rights we will not normally accept notification by electronic means – including for example e-mail; facsimile transmission; 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 these terms by giving you notice of our intention. We may also introduce different terms for different methods of communication that we may agree under Term 23.2.6.

### 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.
- 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 23.2.5 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 new one will become that new Policy Currency. For example, if the Policy Currency is Pound Sterling GBP and it is replaced with 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.
- 25.3 If a Policy Currency is abandoned and is replaced by more than one currency (such as where the Euro is abandoned) then your new Policy Currency will be the Pound Sterling GBP.

### 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 tax, duty or levy being imposed; or
  - 26.1.2 any change in law or taxation or regulatory practice which affects:
    - 26.1.2.1 us; or
    - 26.1.2.2 the Policies issued by us; or
    - 26.1.2.3 the Funds kept by us; or
    - 26.1.2.4 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, if need be without giving you notice;
  - 26.1.4 any such variation will be to whatever extent we regard as appropriate to put us and our Policyholders into a financial position commensurate with that we both would have been in but for the tax, duty, levy or change;
  - 26.1.5 we will notify you of the variation and the reason for it at the first practical opportunity.

### 27. ANTI-MONEY LAUNDERING AND COUNTERING TERRORIST FINANCING

- 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 countering terrorist financing regulations and legislation in Ireland 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. NOMINATION, ASSIGNMENT AND PLEDGE

- 28.1 When acknowledging and noting any nomination, assignment or pledge, or notice of such transaction, we accept no responsibility for the legality or effect of the transaction to which it relates.

### 29. AMENDMENT OF THESE TERMS

- 29.1 No term of this Policy may be varied or waived unless it is evidenced by an endorsement or written communication signed by one of our authorised officials.

### 30. RELEVANT LAW

- 30.1 The Terms of this Policy are to be interpreted in accordance with and are governed by the law of the Member State of the European Union or the European Economic Area in which the applicant for the Policy is resident on the Contract Date unless we have agreed otherwise in writing or by endorsement to the Policy signed by our authorised official. The country of residence shown in the application form for the Policy shall be conclusive proof of the residence of the applicant.

### 31. IRISH DEFINITIONS OF RESIDENCE

#### 31.1 Residence – Individual

An individual will be regarded as being resident in Ireland (the State) for a tax year if he/she:

- 31.1.1 spends 183 days or more in the State in that tax year; or
- 31.1.2 has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two-year test. Presence in the State for a day means the personal presence of an individual at any time during the day.

#### 31.2 Ordinary Residence – Individual

The term 'ordinary residence' as distinct from 'residence' relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which he/she is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2018 and departs from the State in that year will remain ordinarily resident up to the end of the tax year in 2021.

#### 31.3 Prior to Finance Act 2014, company residence was determined with regard to the long established common law rules based on central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty.

While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in the State set out in the revised section 23A TCA 1997.

The new incorporation rule for determining the tax residence of a company incorporated in the State will apply to companies incorporated on or after 1 January 2015. For companies incorporated in the State before this date, a transition period will apply until 31 December 2020.

### 32. APPOINTMENT OF FINANCIAL ADVISER

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

#### 32.2 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.

#### 32.3 We are not responsible for any failure or breach in the relationship between you and your Financial Adviser.

#### 32.4 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.

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Calls may be monitored and recorded for training purposes and to avoid misunderstandings

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Old Mutual International is registered in Ireland as a business name of Old Mutual International Ireland dac.

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PDF14163/INT17-1311/December 2017 (Endorsement)

PDF14440/INT17-1175/December 2017 (Endorsement)

# ONLINE SERVICE ENDORSEMENT TO THE FOLLOWING POLICY TERMS AND CONDITIONS

EUROPEAN EXECUTIVE INVESTMENT BOND (REF EO4V3)

EUROPEAN EXECUTIVE INVESTMENT BOND – PRIIPS (REF EO4V4)

EUROPEAN COLLECTIVE INVESTMENT BOND (REF EO5V2)

EUROPEAN COLLECTIVE INVESTMENT BOND – PRIIPS (REF EO5V3)

SPANISH COLLECTIVE INVESTMENT BOND (REF SCIB1)

**This document was last updated in December 2017.** Please confirm with your financial adviser that this is the most up-to-date document for your Policy or servicing needs.

Old Mutual International Ireland dac (Old Mutual International Ireland) added to the means of communication and Online Services that are offered to its Policyholders for the above referenced products. Old Mutual International is further removing the Charge Deduction Asset and Nominated Asset for Ongoing Fees for the above referenced Policies.

This Online Service Endorsement details the functionality and service options made available by the Online Service known as Wealth Interactive. This Online Service Endorsement forms part of your Terms and Conditions and replaces the previous Online Service Endorsement you received from us, that endorsement no longer applies and should be disposed of. Please keep this endorsement with your Policy documents.

Your Policy Terms and Conditions should be read in conjunction with this Online Service Endorsement in order 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.

### 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.

### 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.

### 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 view, access and manage your Policy together with additional functionality we may make available to you from time to time. We may allow you to view your Policy and also have the ability to carry out certain Policy Transactions, the ability to manage your Policy through the Online Service may be limited.

### Policy Transactions

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

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INTERNATIONAL

### 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 You agree to inform us if your details change in the future, for example if your e-mail address, mobile telephone number or address changes, so that we can update our records and, where necessary, communicate to you as explained in Term 11 of this Endorsement.
- 2.1.2 If you apply for this Policy as described in Term 2.2 or 2.3 in this Endorsement, you agree that:
- (a) you will apply for and sign onto your Online Service Account;
- (b) all Policy Transactions will be made by you using your Online Service Account, where our Online Service allows; and
- (c) 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.
- (a) 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 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 We may allow an offer to be made by your Financial Adviser. In such circumstances, this option is only available where you have appointed your Financial Adviser to act on your behalf to submit an application for a Policy to us.
- (a) 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.
- (a) 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 certified 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 certified identity and other information must be uploaded electronically by your Financial Adviser and sent to us, with your application, through the Online Service.

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- 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 and Conditions, 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 and Conditions, Schedule, 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 and Conditions, 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 net of any tax/duty due on 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 net of any tax/duty due on your 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. Any tax/duty due on your Premium will also be deducted.

  - 3.4.1 The contract will then start (or the additional Premium will be accepted) on the Working Day that we receive at our Administration Centre 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. Any tax/duty due on your additional Premium will also be deducted.
  - 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 a Selected 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.

(continued)

#### 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 is deleted and replaced with the following:

**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.
- (b) 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 How we will pay for Regular Withdrawal for Fund Adviser Fees where you have chosen not to use the Authorised Custodian facility
- (a) Regular Withdrawal for Fund Adviser Fees will be debited from Transaction Account. If there is a credit balance held in the Transaction Account held with us then we will normally use that value towards payment for Regular Withdrawals for Fund Adviser Fees.
- (b) If there is a debit balance held in the Transaction Account the debit balance 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 investment instructions in order to clear the debit balance on or before the next Deduction Date.
- (i) If there is no credit balance in the Transaction Account, or the credit balance is insufficient to meet the amount debited, we will deduct the Regular Withdrawals for Fund Adviser Fees from the Transaction Account which will result in the Transaction Account going overdrawn. If the debit balance is less than the published maximum overdraft limit, the debit balance will remain in the Transaction Account. If the debit balance remains outstanding after the 30 day notice period and if the debit balance is above the published maximum overdraft limit, then we have the right to sell from an instant access or short notice Bank Deposit first and if not then from the highest value Asset on that date, unless that Asset has restricted dealing, or early redemption penalties. Under these circumstances we will sell from the Asset with the next highest value but with no restricted dealing or early redemption, and so on.
- (ii) 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.
- (iii) 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.
- 6.20.5 How we will pay for Regular Withdrawal for Fund Adviser Fees where you have chosen to use the Authorised Custodian facility
- (a) 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 credit 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.
- (b) Your Quarterly Valuations will reflect when Regular Withdrawals for Fund Adviser Fees have been paid.
- (i) Where we are paying the Regular Withdrawal for Fund Adviser Fees and there is sufficient credit 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.
- (ii) 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.
- (iii) 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.
- (iv) 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 13.
- (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 credit 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 The 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 payment made; 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.

## 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 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.
- 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 Administration Centre, as explained in your Policy Terms and Conditions. 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 the 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 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, 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 9.4.1 (A) OF THE SPANISH COLLECTIVE INVESTMENT BOND TERMS (REFERENCE SCIB), AND TERM 9.6.1.1 OF THE EUROPEAN EXECUTIVE INVESTMENT BOND TERMS (REFERENCE EO4V2 AND EO4V3) 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 9.5.1.1 OF THE EUROPEAN COLLECTIVE INVESTMENT BOND TERMS (REFERENCE EO5V2 AND EO5V3) IS DELETED AND REPLACED WITH:

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:**

**15.1 Selling Assets to pay for Portfolio Fund Charges**

- 15.1.1 Portfolio Fund Charges will be debited from the Transaction Account. If there is a credit balance held in the Transaction Account held with us then we will normally use that value towards payment for Portfolio Fund Charges.
- 15.1.2 If there is a debit balance held in the Transaction Account the debit balance 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 investment instructions in order to clear the debit balance on or before the next Deduction Date.
  - (a) If there is a debit balance and it is less than the published maximum overdraft limit, the debit balance will remain in the Transaction Account. If the debit balance remains outstanding after the 30 day notice period and if the debit balance is above the published maximum overdraft limit, then we have the right to sell from an instant access or short notice Bank Deposit first and if not then from the highest value Asset on that date, unless that Asset has restricted dealing, or early redemption penalties. Under these circumstances we will sell from the Asset with the next highest value but with no restricted dealing or early redemption, and so on.
  - (b) 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.
  - (c) 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.

**15.2** 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.

- 15.2.1 If the Authorised Custodian is unable to pay the invoice as there is insufficient credit 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.
- 15.2.2 The debit balance will be reflected in the Quarterly Valuations we provide for you.
  - (a) If there is no credit balance in the Transaction Account, or the credit balance is insufficient to meet the amount debited, we will deduct the Portfolio Fund Charges from the Transaction Account which will result in the Transaction Account going overdrawn. If the debit balance is less than our published maximum overdraft limit and if a debit balance remains outstanding 30 days after the first Quarterly Valuation confirming the debit balance, 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 Deposit 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.
  - (b) 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.
  - (c) 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.
- 15.2.3 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.

**15.3** 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.

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

**15.5** 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 (sometimes we may refer to this as the Asset 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 Irish 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 Irish 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 Administration Centre. 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 Irish or Republic of Ireland 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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# **MULTIPLE FUND ADVISER, DISCRETIONARY ASSET MANAGER AND AUTHORISED CUSTODIAN ENDORSEMENT TO THE EUROPEAN EXECUTIVE INVESTMENT BOND – PRIIPS (REF EO4V4)**

**This document was last updated in December 2017.** Please confirm with your financial adviser that this is the most up-to-date document for your product or servicing needs.

Old Mutual International Ireland dac (Old Mutual International) is adding to the appointment options for Fund Advisers, Discretionary Asset Managers and Authorised Custodians 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.

References to “we”, “us” and “our” in this document mean Old Mutual International Isle of Man Limited.

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

## **1 Definitions**

**Authorised Custodian** – A professional banker or other organisation which is authorised, where appropriate, by its regulator to provide custodian and depository services and which we have appointed at your request.

**Dealing Desk** – Us, for Assets held with our Default Custodian, or 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.

**Default Custodian** – The professional banker or other organisation, which is authorised by its regulator to provide custodian and depository services, that we normally use to hold our Assets.

**Discretionary Asset Manager** – A person or firm appointed by us to provide investment services in respect of our Assets linked to your Policy and following your request to appoint them. Discretionary Asset Manager is sometimes also known in other documents as the ‘Discretionary Investment Manager.’

**Fund Adviser** – A person or firm that 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 2.1.3.

**Investment Mandate** – Details of the aims, objectives and risk tolerance as well as the anticipated time horizon for the Assets of the Portfolio Fund. This will help the Discretionary Asset Manager provide a suitable long-term investment strategy for these Assets.

**Lead Custodian** – Where you request us to appoint more than one Authorised Custodian, you also need to select a Lead Custodian in the application form or appointment form who we will instruct to sell Assets to pay for Portfolio Fund Charges debited to the Transaction Account held with us. Where some of the Assets are held by the Default Custodian, the Default Custodian will sell those Assets to pay for Portfolio Fund Charges.

Term 7 "Appointment of a Fund Adviser" is deleted and replaced with the following:

## **2. Appointment of a Fund Adviser or Discretionary Asset Manager**

### **2.1 Appointment of a Fund Adviser**

- 2.1.1 If you wish to appoint a Fund Adviser then terms of business will normally need to be agreed between you and the Fund Adviser. You will retain full responsibility for the acts or omissions of the Fund Adviser. Any fees for such service are personal to you and will not be deemed a Portfolio Fund Charge.
- (a) You may request payment of such fees by part surrender from your Policy.
- (b) Where you wish to appoint your Financial Adviser as your Fund Adviser, you can do so in your application for your Policy where your application is made in accordance with Term 2.2 or 2.4 of the Online Service Endorsement.
- (c) Where you wish to appoint your Financial Adviser as your Fund Adviser and your application is made in accordance with Term 2.3 of the Online Service Endorsement, your Financial Adviser will apply on your behalf in the application they send to us.
- (d) Where you wish to appoint a Fund Adviser who is not your Financial Adviser or your application will be made other than in accordance with Terms 2.2, 2.3 or 2.4 of the Online Service Endorsement, you will inform us of the appointment of your Fund Adviser by completing the appropriate form and submitting it to us by post to inform us of the appointment.
- 2.1.2 If you have chosen to use the Authorised Custodian facility as explained in Term 3 of this endorsement, then we may allow you to appoint a different Fund Adviser for each Dealing Desk, where we have agreed that more than one Dealing Desk can be used. Alternatively, you could appoint only one Fund Adviser for all Dealing Desks.
- (a) The payments referred to in Term 2.1.1 (a) may be paid to each Fund Adviser where we have agreed that more than one Fund Adviser can be appointed.
- 2.1.3 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.
- 2.1.4 If you request to us in writing that you wish to terminate the appointment of a Fund Adviser, or we cease to act on the instructions of the Fund Adviser as described in Term 2.5.1 below, we will stop any Fund Adviser Fees we are making to the Fund Adviser. We will confirm such termination through your Online Service Account where you have one or by post.
- (a) Any fees relating to the service provided will stop from the termination date. Where the termination date does not coincide with a fee payment date, then where the Fund Adviser Fee is a fixed percentage, we will make a final prorated payment for the period from the last payment date up to the termination date on the next payment date. If the Fund Adviser Fee is a fixed monetary amount, then where the termination date does not coincide with a fixed payment date, we will make one final payment for the full amount at the next fee payment date.

### **2.2 Appointment of a Discretionary Asset Manager**

- 2.2.1 You may request us to appoint one of the Discretionary Asset Managers we have legal agreements with. You may submit your request in the application form, or by completing the appropriate form. Details of the Investment Mandate in respect of the Policy must also be sent to us at our Head Office.
- 2.2.2 The Discretionary Asset Manager will act on either a discretionary basis or an advisory basis. The Discretionary Asset Manager will act on a discretionary basis using a discretionary mandate prescribed by us and investment objectives and risk profile you have stated to us in the Investment Mandate in respect of our Assets linked to the relevant Portfolio Fund for your Policy. They must be appropriately qualified and regulated to offer discretionary investment management services. The Discretionary Asset Manager will act on an advisory basis to give investment advice in respect of our Assets linked to the relevant Portfolio Fund for your Policy to us.
- 2.2.3 Where the Discretionary Asset Manager is to act on an advisory basis, then once we are satisfied that the Discretionary Asset Manager is authorised and regulated by an appropriate regulatory authority and has qualifications required by law or regulation to advise on investments for us then we will appoint the Discretionary Asset Manager.
- (a) The terms of business we have with the Discretionary Asset Manager is contained in the application form or appropriate form to appoint a Discretionary Asset Manager. This includes restrictions on the Assets they can recommend and the payment of fees by us to them.
- (b) The Discretionary Asset Manager must obtain your agreement to the investment recommendation they are providing to us before they submit any instructions to the Dealing Desk. The Discretionary Asset Manager is responsible for obtaining this consent in writing.
- (c) We will confirm the Discretionary Asset Manager's appointment to you or our declination of your request through the Online Service Account where you have one, or by post.
- 2.2.4 Where the Discretionary Asset Manager is to act on a discretionary basis, then once we are satisfied that

the Discretionary Asset Manager is authorised and regulated by an appropriate regulatory authority and has qualifications required by law or regulation to carry out discretionary investment management services, and we have terms of business in place with the Discretionary Asset Manager, which includes payment of fees by us to them, we will confirm their appointment to you through the Online Service Account where you have one, or by post.

2.2.5 We will make a charge to reflect the fees we pay to the Discretionary Asset Manager for the service they provide for us as explained in Term 5 of this endorsement.

2.2.6 If you have chosen to use the Authorised Custodian facility as explained in Term 3 of this endorsement, then you may request us to appoint a different Discretionary Asset Manager for each Dealing Desk. Alternatively, you may request us to appoint only one Discretionary Asset Manager for all Dealing Desks.

2.3 The Dealing Desk will act exclusively on the instructions of a Fund Adviser, or Discretionary Asset Manager once appointed, until we are advised by you in writing at our Head Office that you wish to terminate the appointment of the Fund Adviser, or we terminate the appointment of the Discretionary Asset Manager for your Policy. Termination will not affect any transactions already carried out or for which binding instructions have been given directly or indirectly. We will inform you of such termination through your Online Service Account where you have one, or by post. We will also inform the Fund Adviser or Discretionary Asset Manager of the termination.

2.3.1 Any fees relating to the service provided will stop from the termination date. Where the termination date does not coincide with a fee payment date, then where the Fund Adviser Fee is a fixed percentage, we will make a final prorated payment for the period from the last payment date up to the termination date on the next payment date. If the Fund Adviser Fee is a fixed monetary amount, then where the termination date does not coincide with a fixed payment date, we will take one final payment for the full amount at the next fee payment date. For Discretionary Asset Managers, this final payment by us will be reflected as a final Discretionary Asset Manager Charge on your next Quarterly Valuation.

2.4 Replacement of a Fund Adviser or Discretionary Asset Manager by you.

2.4.1 You may request us to appoint a replacement Discretionary Asset Manager, alternatively you may request to appoint a replacement Fund Adviser by completing the appropriate form and sending it to us at our Head office. If we agree to this request, then replacement of the Discretionary Asset Manager or Fund Adviser will not affect any transactions already carried out or for which binding instructions have already been made. We will confirm the appointment or our declination of your request to you through the Online Service Account where you have one, or by post.

2.5 Removal of a Fund Adviser or Discretionary Asset Manager by us:

2.5.1 We reserve the right to cease to act on the instructions of the Fund Adviser or to terminate our agreement with the Discretionary Asset Manager with immediate effect. As examples, the reasons for terminating the agreement or ceasing to act on the instructions of the Fund Adviser may include if we become aware that a Discretionary Asset Manager or Fund Adviser:

- 1) has been refused membership by, or has been expelled from, a professional organisation; or
- 2) is under investigation by, or has been the subject of disciplinary action by, a regulatory authority; or
- 3) has carried out or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
- 4) ceases to hold the necessary authorisation due to change of law or regulation.

These examples are illustrative and not exhaustive. We will confirm the termination of our appointment with the Discretionary Asset Manager or that we are ceasing to accept instructions from the Fund Adviser to you through the Online Service Account where you have one, or by post.

2.6 Amendment to the Investment Mandate

2.6.1 You may inform us in writing at our Head Office of any change to the Investment Mandate. If this is acceptable to us, we will inform the Discretionary Asset Manager at the earliest opportunity.

2.7 In the event of the death of the last Policyholder or assignment of the Policy, any appointment of a Fund Adviser or Discretionary Asset Manager will automatically terminate.

**Term 8 "Selected Custodian Account Facility" is deleted and replaced with the following:**

### **3. Authorised custodian account facility**

3.1 You may request us to consider the appointment of one or more Authorised Custodians and Dealing Desks, instead of, or if only one Authorised Custodian as well as, our Default Custodian and Dealing Desk, subject to our minimum published investment limit for transfers to Authorised Custodians.

3.2 If we agree to your request to appoint an Authorised Custodian and Dealing Desk, then you, the Fund Adviser or the Discretionary Asset Manager will give Asset dealing instructions to the Dealing Desk. Any instructions sent to us that relate to Assets held by an Authorised Custodian will not be actioned. We will not forward the instruction to the Authorised Custodian.

3.2.1 Once appointed, the Authorised Custodian will then make all necessary arrangements for safe custody and release from custody of our Assets to carry out the transactions.

- 3.2.2 We may restrict the number of Authorised Custodians and Dealing Desks that we will consider appointing in respect of your Policy.
- 3.2.3 Where you wish to choose Internal Funds, then you can only select one Authorised Custodian in addition to the Default Custodian who holds our Internal Funds and you must use our Dealing Desk for instructions relating to Internal Funds.
- 3.3 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:
- 3.3.1 buy other Assets for the Portfolio Fund; or
- 3.3.2 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
- 3.3.3 to pay benefits including Regular Withdrawals, part surrenders and Regular Withdrawals for Ongoing Fees where instructed by us.
- 3.4 We may 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.
- 3.5 The Authorised Custodian's normal custody charges will be debited to the Portfolio Fund on the Valuation Date unless debited earlier to the Transaction Account held with us.
- 3.6 After the Contract Date, you may request in writing to us at our Head Office that an Authorised Custodian is appointed, replaced or removed. This is subject to any restrictions referred to in Term 3.3.
- (a) Where an Authorised Custodian is the Lead Custodian and you request that we remove or replace that Authorised Custodian, we will not act on your instruction unless you have confirmed the replacement custodian to be the Lead Custodian.
- 3.7 We reserve the right to terminate our agreement with the Authorised Custodian or Dealing Desk with immediate effect. As examples, the reasons for terminating our agreement may include if we become aware that the Authorised Custodian or Dealing Desk:
- 3.7.1 is under investigation by, or has been the subject of disciplinary action by, a regulatory authority; or
- 3.7.2 has had a licence revoked; or
- 3.7.3 has carried out or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
- 3.7.4 ceases to hold the necessary authorisation due to change of law or regulations.
- We will also terminate our appointment of the Authorised Custodian and Dealing Desk if they are no longer acceptable to us. These examples are illustrative and not exhaustive. In such circumstances we will transfer custody and Dealing Desk functionality to an Authorised Custodian and Dealing Desk selected by us. We will not make a charge for this transfer. We will advise you of this as soon as practically possible.
- 3.8 The fact that we may allow or refuse a particular Authorised Custodian and Dealing Desk does not indicate any judgement by us about its financial stability, services or suitability for you. We accept no responsibility for the acts or omissions of the Authorised Custodian and Dealing Desk even where we have selected the Authorised Custodian and Dealing Desk due to the circumstances in Term 3.7.
- 3.9 Assets may need to be sold or transferred to the Authorised Custodian before some Policy Transactions can be actioned.
- 3.9.1 We will impose an Authorised Custodian Amendment Charge to cover our administrative costs on each transfer of Assets from the Default Custodian to one or more Authorised Custodians, and from an Authorised Custodian to the Default Custodian or between Authorised Custodians, where this occurs after the Contract Date. This charge is described in Term 6 of this endorsement.
- 3.10 In the event of death of the last Policyholder, the appointment of an Authorised Custodian and Dealing Desk will terminate subject to completion of any outstanding transactions.
- 3.11 What happens if the Authorised Custodian is in financial difficulty?
- 3.11.1 You and your Financial Adviser will need to investigate the implications of this on your Policy. It remains your responsibility to ensure that the Portfolio Fund Charges can be paid.

**Term 13 "How can you choose and change investments?". Terms 14.1 to 14.12 are deleted and replaced with the following:**

#### **4. How can you choose and change Assets?**

- 4.1 Making your first Asset choice.
- 4.1.1 In your application, unless you wish to transfer your Assets solely to an Authorised Custodian, you must tell us the Assets you have chosen. You must also tell us how much of the Allocation Amount we should allocate to each Asset or transfer to an Authorised Custodian. This is subject to the higher of our published minimum dealing amount and the manager of the External Fund's minimum dealing amount.

- 4.1.2 On the Contract Date, we will allocate the Premium to the Transaction Account held with us, determining the Allocation Amount and normally buy Assets for the Portfolio Fund on the next dealing point administratively available to us. Where the Authorised Custodian facility applies as described in Term 3, we will transfer the requested proportion of the Allocation Amount to the relevant Authorised Custodian's transaction account at the next Working Day administratively available to us following the Contract Date. You, your Fund Adviser or the Discretionary Asset Manager will then need to provide dealing instructions to the Dealing Desk for the relevant Authorised Custodian.
- 4.1.3 Within your Cluster of Policies, the value of the Assets will be allocated equally to each Policy subject to any rounding adjustment.
- 4.1.4 If we cannot buy the Assets chosen, or we are unable to transfer the relevant amount to the relevant Authorised Custodian in accordance with Term 4.1.2, we will hold the relevant amount in the Transaction Account held with us unless you or your Fund Adviser or the Discretionary Asset Manager give us other instructions. This may happen if a situation such as referred to in the 'Deferral and declinature of transactions' Term of the Policy Terms and Conditions. We will inform you of this through your Online Service Account where you have one, or by post.

## 4.2 Changing the Assets

- 4.2.1 You, your Fund Adviser or the Discretionary Asset Manager may change the Assets by following the instructions on the Online Service or sending a dealing instruction to our Dealing Desk by post for Assets held with our Default Custodian.
  - (a) If an Asset is chosen which requires a number of units or shares to be purchased or sold rather than 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 or sold for these Assets, the difference in cash value can be avoided.
  - (b) All costs involved, including third party and professional costs incurred relating to the buying, administration, selling, closure and winding up of Assets, will be applied to the Transaction Account.
  - (c) There may be a delay buying and selling Assets, for example they may not be liquidated immediately, and in some cases it may not be possible to execute the instruction. We or the Dealing Desk can accept no responsibility for the effects of any delay or failure to carry out all or part of the transaction in such circumstances.
  - (d) Where the Authorised Custodian account facility is being used, a dealing instruction form in respect of the Assets held by the Authorised Custodian must be sent by post to the relevant Authorised Custodian's Dealing Desk (or other communication method acceptable to the Dealing Desk). Any instruction sent to us that relates to Assets held by an Authorised Custodian will not be actioned or sent on to the Dealing Desk of the relevant Authorised Custodian.
- 4.2.2 When you, your Fund Adviser or the Discretionary Asset Manager submit a dealing request to us in respect of Assets held by our Default Custodian, we will send you an e-mail through your Online Service Account where you have one, or by post, to inform you that information regarding the request available to you, in particular to inform you of the fact that the Dealing Desk have actioned the request.
- 4.2.3 The time of receipt or delivery of any electronic communication sent to our Dealing Desk will be determined by the time of sending recorded on our system, as explained in Term 9.5 of the Online Service Endorsement. Where we receive paper instruction, receipt will be when we receive the dealing request by postal delivery at our Head Office on a Working Day by 11.00am Isle of Man time.
  - (a) Where the Authorised Custodian account facility is being used, the time of delivery of any communication to the Dealing Desk will be defined by that particular Dealing Desk.
- 4.2.4 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.
  - (a) Where the Authorised Custodian account facility is being used, the dealing date will be defined by the Dealing Desk. It will normally be the next dealing point administratively available to the Dealing Desk.
- 4.2.5 The instruction must meet our reasonable requirements at the time. These requirements may include a minimum value of Assets to be bought or sold. This minimum will be the higher of our published minimum dealing amount, and the minimum dealing amount of the Asset as determined by the manager of the Asset.
- 4.2.6 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 if there is a simultaneous sale of an Asset which provides enough cash.

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 have been deducted.

- 4.2.7 If instructions to sell Assets have a higher value than instructions to buy, any balance of proceeds of transactions will be held as cash.

4.2.8 It is your, your Fund Adviser's or the Discretionary Asset Manager's responsibility to ensure that prompt Asset dealing instructions, which account for the full value of the Assets in the relevant Transaction Account, are provided, unless this is being used to simplify the payment of Portfolio Fund Charges or Regular Withdrawals where the Transaction Account has been selected as the Nominated Asset. Any credit balance will be shown in the next Quarterly Valuation.

#### 4.2.9 Internal Funds

(a) 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.

4.3 If we agree to accept an additional Premium then an Asset dealing instruction may be given through the Online Service or by post.

4.4 We will normally only buy an Asset if:

4.4.1 There is enough cash balance in the Transaction Account held with us to fund the transaction and to pay any related direct and indirect expenses and taxes and any costs associated with currency transactions, for example, converting the amount to a different currency.

4.4.2 We sell other Assets at the same time to provide enough cash for the transaction.

4.4.3 The deal meets the minimum dealing amount as described in Term 4.1.1 and Term 4.2.6.

4.5 We will take all direct and indirect expenses and taxes due as a result of selling the Asset and any costs associated with a currency transaction from the proceeds of the sale of the Asset and will pay the rest into the Transaction Account held with us.

4.5.1 If an Asset is chosen which requires a number of units or shares to be purchased rather than a cash value, where we are instructed to buy 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 the Asset. Market movements may result in a different cash value being applied to purchase 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.

4.6 Instructions to us not using the Online Service or post

4.6.1 An Asset dealing instruction form (or other communication acceptable to us) should be completed by you, your Fund Adviser or the Discretionary Asset Manager and provided to us.

4.6.2 For the purposes of Term 4.2.1 only, instructions by facsimile transmission are permitted.

(a) Facsimile transmissions by you, your Fund Adviser or the Discretionary Asset Manager 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 we are asked to acknowledge receipt there can be no guarantee that this has been received and actioned by us.

(b) We can accept no responsibility for the effects of any delay or failure to carry out instructions in such circumstances.

4.6.3 If all or any part of the instruction to us from you, your Fund Adviser or the Discretionary Asset Manager 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 Term 17 of the Policy Terms and Conditions, then we will not act on the instruction and will use our best efforts to inform 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.

4.8 We have the right to defer or decline carrying out a dealing instruction because of a situation such as those referred to Term 17 of the Policy Terms and Conditions.

4.9 We have the right to agree to change the timings set out in this Term to take advantage of improvements in communication and the possibility of more than one dealing point in a day.

## 5. Discretionary Asset Manager Charge

5.1 Where you have requested us to appoint a Discretionary Asset Manager for a particular Dealing Desk, and we have agreed in accordance with Term 2.2, an additional charge will apply. This will be an annual percentage of the value of the Assets held for that Dealing Desk which is based on the value of Assets at each Quarterly Date and payable quarterly.

5.2 The annual percentage agreed for the charge will be shown in the application form or the form to appoint a Discretionary Asset Manager in relation to the relevant Dealing Desk.

5.3 The charge will be calculated in arrears based on the value of Assets held with the relevant Dealing Desk at the Quarterly Date. There may be multiple Discretionary Asset Manager Charges where we appoint more than one Discretionary Asset Manager in relation to your Policy.

5.3.1 Where the Discretionary Asset Manager Charge reflects fees we pay to a Discretionary Asset Manager in respect of Assets held with our Default Custodian, the Discretionary Asset Manager Charge will be deducted from the Portfolio Fund on the Deduction Date following the Quarterly Date and Assets will be sold at the next dealing date administratively available after the Deduction Date.

- 5.3.2 Where the Discretionary Asset Manager Charge reflects quarterly fees paid by us in respect of a Discretionary Asset Manager for Assets held with an Authorised Custodian, the Discretionary Asset Manager Charge will be deducted at the time we pay those fees and reflected in your Quarterly Valuations.
- 5.3.3 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 of the Relevant Life Assured or total surrender of your Policy or Cluster of Policies.
- 5.4 We will continue to pay fees to the Discretionary Asset Manager until such time as:
  - 5.4.1 You request us in writing and we agree to terminate the appointment of the Discretionary Asset Manager or we choose to terminate the appointment of the Discretionary Asset Manager; or
  - 5.4.2 You request us in writing and we agree to replace the Authorised Custodian that the Discretionary Asset Manager has been appointed to manage the Assets for. We will pay prorated fees to the Discretionary Asset Manager from the last quarterly date up to the termination date. This final fee will result in a final Discretionary Asset Manager Charge being applied to your Policy.

**Term 20 "Authorised Custodian Amendment Charge" is included:**

## **6 Authorised Custodian Amendment Charge**

- 6.1 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.
- 6.2 The charge will apply on each transfer of Assets from the Default Custodian to an Authorised Custodian, from an Authorised Custodian to the Default Custodian and between Authorised Custodians, other than the initial appointment on the date the Policy started of one or more Authorised Custodian.
- 6.3 The charge is shown in the application form or the form to appoint an Authorised Custodian in the Policy Currency.
- 6.4 This will be deducted from the Transaction Account held by us on the next Deduction Date after the amendment is made or on the Final Valuation Date if applicable.
- 6.5 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.
- 6.6 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 the Default Custodian to an Authorised Custodian, from an Authorised Custodian to the Default Custodian and between Authorised Custodians and which are reasonable in amount and reasonably incurred. Any such change will be proportionate.
- 6.7 In exceptional circumstances our Actuary may advise us that it is appropriate to review the charge immediately, taking account of the facts in Term 6.6. 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.

**Term 21 Third Party Agent and Other Charges. The following is included:**

**[www.oldmutualinternational.com](http://www.oldmutualinternational.com)**

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

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