

IMPORTANT FACTS STATEMENT AND APPLICANT'S DECLARATIONS INVESTMENT-LINKED ASSURANCE SCHEME ("ILAS") POLICY

IFS-AD

Quilter International Isle of Man Limited

Name of the ILAS Policy: **Collective Investment Plan / Executive Investment Plan**

(Charging structure: I/II variations)

These products are available for offer to Professional Investors only.

Please tick the box below to indicate the purpose of this submission, and complete **both** Part I (Important Facts Statement) and Part II (Applicant's Declarations):

New business (for Executive Investment Plan only)

Top-up

PART I – IMPORTANT FACTS STATEMENT

You should carefully consider the information in this statement and the product documents (including the Principal Brochure, Product Key Facts Statement, and the Illustration Document). **If you do not understand any of the following paragraphs or do not agree to any particular paragraph or what your licensed insurance intermediary has told you is different from what you have read or understood from this statement, please do not sign the confirmation and do not purchase the ILAS policy.**

You may request the Chinese version of this statement from your licensed insurance intermediary.

閣下可向銷售的持牌保險中介人索取本文件的中文版本。

SOME IMPORTANT FACTS YOU SHOULD KNOW

- (1) **Statement of Purpose:** Please set out your reasons/considerations for procuring this ILAS policy. The licensed insurance intermediary is required to take due account of the reasons/considerations set out by you, together with other relevant information, in assessing whether a particular ILAS policy is suitable for you. (*Customer must set out your own reasons/considerations.*)

(customer to set out)

Reminder to the Intermediary:

This product is an ILAS with open architecture (OA ILAS), which should only be recommended to a Professional Investor who has indicated that the objectives of procuring an **insurance product are for investment and tax/estate planning**, and in general, who **has an overseas residency**, according to the 'Circular providing Interpretation Notes relating to the GL26'.

If the customer does not have an overseas residency, this product should not be considered for the customer, unless he/she has **special reasons** for acquiring the product and which must be clearly stated above.

- (2) **Cooling-off period:** You have the right to cancel this ILAS policy and get back your original investments (subject to market value adjustment) within the cooling-off period, which is the period of **21 calendar days** immediately following either the day of delivery of (i) the policy; or (ii) the Cooling-off Notice to you or your representative containing the information regarding your right within the cooling-off period, whichever is the earlier. Furthermore, your right of cancellation is enhanced under the Isle of Man requirements, whereby you have the right to cancel the policy where you have paid an initial premium only, and cancel the additional premium, within **the Isle of Man cooling-off period**. For details of how you can exercise this right, please refer to the application form.

(3) **No ownership of assets and no guarantee for investment returns:** You do not have any rights to or ownership over any of the funds/assets chosen by you in respect of this ILAS policy. Your recourse is against Quilter International Isle of Man Limited ('Quilter International') only. You are subject to the credit risk of Quilter International. Investment returns are not guaranteed.

(4) **Long-term features:**

(a) **Establishment charge:** You will be subject to an **establishment charge** if the charging structure I is chosen. It does not apply if the charging structure II is chosen.

The establishment charge is 0.5% per quarter for the first year only, based on the higher of 1) the premium paid or 2) the value of the funds/assets chosen by you in respect of the relevant premium.

A separate first year period will apply for each additional premium paid in the future.

(b) **Regular policy management charge:** You will be subject to a **regular policy management charge** as follow:

charging structure I: 0.4% per quarter for 5 years and nil thereafter, based on the higher of 1) the premium paid or 2) the value of the funds/assets chosen by you in respect of the relevant premium.

The charge will apply separately in respect of each additional premium paid in the future.

charging structure II: 0.5% per quarter for 5 years and nil thereafter, based on the higher of 1) the premium paid or 2) the value of the funds/assets chosen by you in respect of the relevant premium.

The charge will apply separately in respect of each additional premium paid in the future.

(c) **Early withdrawal charge:** You will be subject to an **early withdrawal charge**, if policy termination or surrender occurs within 5 years from the payment of the relevant premium. Part surrender or regular withdrawals can be made with no early withdrawal charge, subject to the satisfaction of both criteria of retaining 25% of the total premiums paid and a minimum surrender value of £10,000 (or currency equivalent). If the criteria are not met, subject to our acceptance of the request, the charge will apply only in respect of the difference between the remaining value of the Plan and 25% of the total premiums paid. (please refer to page 14 of the product brochure for details).

The early withdrawal charge (for charging structure I or II) is 8.5% during first quarter, reducing by 0.425% each quarter to nil after 5 years, based on the higher of 1) the premium paid or 2) the value of the funds/assets chosen by you in respect of the relevant premium. The applicable rates of the charge are listed below:

The quarter from the payment of the initial/ additional premium	Early withdrawal charge rate	The quarter from the payment of the initial/ additional premium	Early withdrawal charge rate
1st	8.500%	11th	4.250%
2nd	8.075%	12th	3.825%
3rd	7.650%	13th	3.400%
4th	7.225%	14th	2.975%
5th	6.800%	15th	2.550%
6th	6.375%	16th	2.125%
7th	5.950%	17th	1.700%
8th	5.525%	18th	1.275%
9th	5.100%	19th	0.850%
10th	4.675%	20th	0.425%

The charge will apply separately in respect of each additional premium paid in the future.

Please refer to your signed policy specific Charges Confirmation for full details.

- (5) **Fees and charges:** Some fees/charges will be deducted from the premiums you pay and/or the value of your ILAS policy, and will reduce the amount available for investment. Accordingly, **the return on your ILAS policy as a whole may be considerably lower than the return of the funds/assets you select.** For details, please refer to the product documents of this ILAS policy.
- (6) **Switching of Investment:** If you switch your investment choices, you may be subject to a charge and your risks may be increased or decreased.
- (7) **Risk of early termination:** Your ILAS policy may be surrendered early automatically, and you could lose all your premiums paid and benefits accrued if any condition of automatic early surrender is triggered. This may happen if your policy has very low or negative value (e.g. poor investment performance), etc. It will also end and lapse without value if the value of the funds/assets chosen by you is not sufficient to meet the deduction of a charge which is due.

Quilter International reserves the right to fully surrender your ILAS policy if the remaining value of your ILAS policy after surrender or withdrawal falls below the higher of 5% of the total premium you have paid or £10,000 (or currency equivalent). For details, please refer to the product documents of this ILAS policy.

- (8) **Licensed insurance intermediaries' remuneration:** If you take up this ILAS policy, the licensed insurance broker firm will on average receive remuneration of \$7.0 per \$100 of the premium that you pay.

The remuneration is an average figure calculated on the assumption that you will pay all the premiums throughout the entire premium payment period. It covers all payments to the licensed insurance broker firm directly attributable to the sale of this policy (including upfront and future commissions, bonuses and other incentives).

The amount of remuneration actually receivable by the licensed insurance broker firm may vary from year to year and is higher in the first policy year/early policy years.

You are entitled to make inquiry with your licensed insurance broker if you wish to know more about the remuneration that he/she/they may receive in respect of this policy.

- (9) **Choice of funds/assets processed on execution only basis:** Please note that Quilter International does not offer any funds/assets under the Collective Investment Plan / Executive Investment Plan. Any choice of funds/assets to be held in your ILAS policy as requested by you and/or your financial adviser will be processed by Quilter International on an **execution only basis**, and Quilter International has the right to reject any funds/assets requested. You bear all the risks in relation to the funds/assets you choose, which are not operated or managed by Quilter International.

Please also note the additional risks (e.g. credit and insolvency risks, market risks, asset transfer risk as detailed in the Product Key Facts Statement) associated with this OA ILAS product procured.

I ("customer") confirm that I have read and understood and agree to be bound by paragraphs above.

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Customer 1's name	Customer 1's signature	Date								
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Licensed Insurance Intermediary's name	Licensed Insurance Intermediary's signature	Date								

PART II – APPLICANT’S DECLARATIONS

Please complete both **sections I and II**, and submit together with the Financial Needs Analysis and Risk Profile Questionnaire.

However, regarding top-up application, where a previous Financial Needs Analysis and Risk Profile Questionnaire have been performed within 12 months from the date of signing and provided there are no substantial changes in the customer’s circumstances and the conditions stated below are satisfied, please further complete this box and ensure **sections I and II** are also completed.

I confirm that Financial Needs Analysis and Risk Profile Questionnaire have been performed within 12 months. I further declare that there are no material changes in my circumstances.

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Customer 2’s name (if applicable)	Customer 2’s signature (if applicable)	Date (if applicable)								

I confirm that the certified true copies of the previous Financial Needs Analysis and Risk Profile Questionnaire were filed with Quilter International. I further confirm that box A was selected by the customer in the Applicant’s Declarations last submitted and there are no mismatch (i.e. needs, risks, affordability etc.) identified in respect of the customer.

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Licensed Insurance Intermediary’s name	Licensed Insurance Intermediary’s signature	Date								

SECTION I: DISCLOSURE DECLARATION

- I (“customer”) confirm that the licensed insurance broker intermediary, _____
_____ (insert name and licence number of the relevant licensed insurance intermediary), has conducted a Financial Needs Analysis and Risk Profile Questionnaire for me.
- I have received, read and understood the following documents:
 - Product Brochure
 - Product Key Facts Statement
 - Illustration Document

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Licensed Insurance Intermediary’s name	Licensed Insurance Intermediary’s signature	Date								

SECTION II: SUITABILITY DECLARATION

I ("customer") understand and agree that (tick one only):

A the features and risk level of the ILAS policy and my selected mix of investment choices are suitable for me based on my disclosed current needs and risk profile, etc. as indicated in the Financial Needs Analysis and Risk Profile Questionnaire. These needs have been assessed by the licensed insurance broker, and not by the Insurance Company.

OR

B despite the fact that the features and/or risk level of the ILAS policy and/or my selected mix of investment choices may not be suitable for me based on my disclosed current needs and risk profile ,etc. as indicated in the Financial Needs Analysis and Risk Profile Questionnaire, I confirm that it is my intention and desire to proceed with my application(s) as explained below:

(If Box B is ticked, customer must complete explanation in this box.)

I acknowledge I should not purchase this ILAS policy and/or the selected mix of investment choices unless I understand these and their suitability has been explained to me and that the final decision is mine.

I understand that the authorised Insurance Company-

- (a) does not provide/accept any responsibility for the financial advice given by my appointed insurance broker who acts on my behalf and independently of the Insurance Company; and**
- (b) will retain copy(ies) of the completed Financial Needs Analysis and Risk Profile Questionnaire for verification purpose.**

Customer 1's name	Customer 1's signature	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr> <td style="width: 12.5%; text-align: center;">D</td> <td style="width: 12.5%; text-align: center;">D</td> <td style="width: 12.5%; text-align: center;">M</td> <td style="width: 12.5%; text-align: center;">M</td> <td style="width: 12.5%; text-align: center;">Y</td> <td style="width: 12.5%; text-align: center;">Y</td> <td style="width: 12.5%; text-align: center;">Y</td> <td style="width: 12.5%; text-align: center;">Y</td> </tr> </table>	D	D	M	M	Y	Y	Y	Y
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Declaration by Licensed Insurance Intermediary

I, _____ (print name of Intermediary and license number), confirm that I have fully explained the contents of the Important Facts Statement and Applicant's Declarations to the customer in a language of the customer's choice.

This box for additional completion by the intermediary **if Box B** is ticked or any mismatch exists: (the intermediary is required to explain the mismatch to the customer and why the product is still recommended to the customer despite the mismatch)

Please sign in all circumstances:

Licensed Insurance Intermediary's name	Licensed Insurance Intermediary's signature	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr> <td style="width: 12.5%; text-align: center;">D</td> <td style="width: 12.5%; text-align: center;">D</td> <td style="width: 12.5%; text-align: center;">M</td> <td style="width: 12.5%; text-align: center;">M</td> <td style="width: 12.5%; text-align: center;">Y</td> <td style="width: 12.5%; text-align: center;">Y</td> <td style="width: 12.5%; text-align: center;">Y</td> <td style="width: 12.5%; text-align: center;">Y</td> </tr> </table>	D	D	M	M	Y	Y	Y	Y
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		Date								

Notes:

1. In this Statement & Declarations, "I" refers to customer. The singular shall include the plural; the word "I" shall include "we"; and the word "my" shall include "our". For joint customers, all customers must sign all sections.
2. The customer(s) are required to inform the licensed insurance intermediary or us (the authorized insurance company) if there is any material change of information provided in these Declarations before the policy is issued.

www.quilterinternational.com/hk

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

Quilter International's Hong Kong office: Unit 2402C, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

Phone: +852 3552 5888 Fax: +852 3552 5889. Authorised by the Insurance Authority of Hong Kong to carry on long term business.

Quilter International Isle of Man Limited is registered in the Isle of Man under number 24916C.

Registered and Head Office: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles.

Phone: +44 (0)1624 655 555 Fax: +44 (0)1624 611 715. Licensed by the Isle of Man Financial Services Authority.

Quilter International is registered in the Isle of Man as a business name of Quilter International Isle of Man Limited.

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