



Details of your Quilter International Isle of Man Wealth Portfolio – Redemption

Policy Terms (ref WPR)

This document is effective for Wealth Portfolio - Redemption contracts which start after on or 25 October 2021.

This document was last updated in October 2021.
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 the Wealth Portfolio – Redemption (Ref WPR)

Part A – Preliminary conditions which apply to the Wealth Portfolio - Redemption

1. The Wealth Portfolio – Redemption contract

1.1 The Wealth Portfolio – Redemption is an investment linked capital redemption Policy. It provides benefits on the maturity of the Policy as described in Term 6.1

1.1.1 The Wealth Portfolio – Redemption is not a ‘Personal Portfolio Bond’ as defined in Section 516 Income Taxes (Trading and Other Income Act) 2005 (ITTOIA 2005) or other successor legislation. Neither the Policyholder or any person acting on behalf of the Policyholder, or any connected person with either the Policyholder or any person acting on behalf of the Policyholder as defined in Section 516 of ITTOIA 2005 or other successor legislation are able to select the Assets of the Policy. No action can be taken by the Policyholder, Discretionary Asset Manager or us that would cause the Wealth Portfolio – Redemption to be regarded as a Personal Portfolio Bond.

1.2 We have designated the Wealth Portfolio - Redemption as a product only suitable for Professional Investors.

1.2.1 You must determine and confirm as part of the application process whether you meet our definition of Professional Investor. We will rely solely on your confirmation, as part of our application acceptance criteria, that you meet our definition of a Professional Investor. Given that we do not have any detailed knowledge of your circumstances or characteristics, we will not undertake any investigations as to whether you meet this definition or not. It is therefore essential that you give careful consideration to whether you are or are not a Professional Investor.

1.2.2 The Wealth Portfolio - Redemption allows the Discretionary Asset Manager to invest into various types of Assets as detailed in Term 9 and some of these Assets are only suitable for Professional Investors. You accept the level of risk associated with these Assets including the risk that the investment into such an Asset:

- a) could provide a lower degree of investor protection and regulatory safeguards; and
- b) could result in a loss of significant proportion of some or all of the sums invested; and
- c) may have a minimum duration, impose significant redemption penalties or are illiquid.

1.2.3 If you no longer meet our definition of Professional Investor, we will not restrict the choice of Assets available under the Wealth Portfolio - Redemption. It is your responsibility to complete a new Investment Mandate and send this to us. We will then review the Investment Mandate and inform the Discretionary Asset Manager of the new Investment Mandate.

1.3 The Terms applicable to your contract are:

1.3.1 Part A the Preliminary Conditions which apply to the Wealth Portfolio - Redemption; and

1.3.2 Part B the General Conditions which apply to the Wealth Portfolio - Redemption

1.4 Your Wealth Portfolio – Redemption is issued as a number of separate policies, known as a ‘Cluster of Policies’ each representing an equal proportion of your Wealth Portfolio – Redemption.

You may specify in your application the number of policies to issue. These Terms apply equally to each of the policies. If you have not specified the number of policies to issue, 250 policies will be issued.

For our administrative purposes we may say 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. If we have by mistake or deliberately waived the enforcement of a Term on an occasion, this does not constitute a waiver of our respective rights and obligations at any future time.

2. Dictionary

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

2.1 We, us and our mean Quilter International Isle of Man Limited.

You, your and the **Policyholder** mean the other party to this agreement when the contract is made. It also means a person who becomes the Policyholder in the future if ownership of the Policy transfers to them or if they become the legal representative to the estate of the relevant Policyholder after they die.

2.2 Actuary – Our officer who has responsibilities concerning our sound and prudent financial management. They also have a professional duty to consider the interests of all of our Policyholders.

Allocated Units or Units – The notional shares in the Assets of the Portfolio Fund as explained in Term 7. We allocate them when you pay a Premium.

Allocation Amount – The Premium less any reduction in the Premium amount to reflect an Allocation Percentage of less than 100%.

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

Assets – The various types of Asset described in Term 9, which may be Assets of the Portfolio Fund.

Bank Deposit – A bank or similar deposit whether instant access, on notice, or for a fixed term.

Charges Schedule – The Schedule issued showing the Portfolio Fund Charges that apply to your Cluster of Policies.

Claimant – The person with a legal right to receive payment of the Maturity Benefit. As examples, this person may be a surviving Policyholder (including a corporate entity or trustees of a trust), or the legal personal representative acting on behalf of the estate of a deceased Policyholder. These examples are illustrative and not exhaustive.

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 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.

Contract Date – The date the contract for your Policy started as described in Term 4.2. We confirm the Contract Date to you in our acceptance letter which will be sent by post.

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

Discretionary Asset Manager – A person or firm appointed by us to provide discretionary asset management and custody services to us. The Discretionary Asset Manager may appoint a subcustodian to provide custody services to them.

External Fund – Close-ended Collective Investment Schemes such as Investment trusts; Open-ended Collective Investment Schemes registered or authorised under the laws of the country of domicile, any other open-ended regulated Collective Investment Schemes acceptable to us wherever domiciled, but excluding United States mutual funds.

Financial Adviser – The person or firm that acts on your behalf when you are considering whether to apply for your Policy, during the process of applying for your Policy and while you own your Policy. Financial Adviser is sometimes referred to in other documents as 'Intermediary'.

Fixed Account – A separate and identifiable account which is maintained for the purpose of granting interest-free fixed account loan withdrawals.

Head Office – Our office in the Isle of Man.

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.

Investments – The various types of Asset described in Term 9 which may be Assets of the Portfolio Fund.

ITTOIA 2005 – Income Taxes (Trading and Other Income Act) 2005 or other successor legislation.



Market Timing – 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 Discretionary Asset Manager seeks to exploit a fund which has a price that does not take account of the most recently available data, and where the Discretionary Asset Manager makes use of a short-term trading strategy to take advantage of anticipated future market movements.

Maturity Benefit – The amount we will pay on the Maturity Date of the Policy.

Maturity Date – The date the Policy will mature as shown in the Schedule.

Policy – One or more Policies we issue to you following acceptance of your application for your Wealth Portfolio – Redemption called collectively a 'Cluster of Policies'.

Policy Anniversary – Any anniversary of the Contract Date.

Policy Currency – The currency shown in the Schedule in which valuations are reported and benefits are paid.

Portfolio Fund – A separate identifiable account kept by us for calculating benefits and Portfolio Fund Charges under your Policy.

Portfolio Fund Charges – The various charges for managing the Portfolio Fund and a Policy as explained in Term 17 and the Charges Schedule.

Premium – Any lump sum payment you agree to pay to your Policy and we accept.

Premium Acceptance Date – This will be the date that the Premium is credited to the Transaction Account.

Professional Investor – A Professional Investor is a person or entity that possess the required expertise, experience and knowledge to adequately understand the features and risks associated with this product, the underlying investment options available (including assets which are not designed or suitable for Retail Investors) and services being offered. Generally, a Professional Investor would be an entity or natural person that would fall under one or more of the following definitions:

- National and regional governments, public bodies that manage public debt, central banks, international and supranational institutions such as the World Bank and the International Monetary Fund.
- An entity authorised, licensed and regulated to operate in the financial markets and whose main activity is investing in financial instruments.
- A natural person whose level of financial sophistication is consistent with local Professional Investor (or equivalent) regulations that may apply in the market where the business is conducted.

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

Quarterly Valuations – The valuation statement we provide to you within a reasonable period following each Quarterly Date.

Regular Withdrawals – Part surrenders that you request for a fixed monetary amount or a percentage of the Premiums paid, which are payable to you at regular intervals until the Policy is terminated.

Regular Withdrawal Due Date – The date you request in your instruction to us that we pay your first Regular Withdrawal and then on the same day each month, two months, quarter, four months, six months or year, depending on the Regular Withdrawal frequency you have chosen 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.

Retail Investor – An investor who does not meet our definition of Professional Investor.

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

Subcustodian – A professional banker or other organisation which is authorised, where appropriate, by its regulator to provide custodian and depository services.

Surrender Value – The value of the Allocated Units at the Selling Price less any outstanding charges including any outstanding Portfolio Fund Charges and Third-Party Agent Charges.

Third-Party Agent Charges – Charges for providing services to the Portfolio Fund by third parties.

Transaction Accounts – Accounts kept by us to simplify buying and selling of Assets for your Portfolio Fund. They are also used for purposes which include but are not limited to the payment of benefits and Portfolio Fund and Third-Party Agent Charges.



Valuation Date – A Working Day on which we value the Assets of the Portfolio Fund to calculate the price of notional Units. **The 'Final Valuation Date'** is the date that we calculate the final value, for example, when you cash in (surrender) one or more of your Policies. Some Portfolio Fund Charges and Other Charges will apply on the Final Valuation Date when all Policies are cashed in, for example when you fully cash in your bond, we refer to this as the 'Final Plan Valuation Date'.

Valuation Period – The period up to the relevant Valuation Date since the Contract Date or the last Valuation Date.

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. How to make an offer to us and our acceptance

- 3.1** Offer by signing a paper version of the application form
- 3.1.1 You or your Financial Adviser can submit your paper application to us by post. This should be sent to us at our Head Office.
- 3.1.2 Our receipt of your application at our Head Office will be confirmed to you and your Financial Adviser by post or by e-mail.
- 3.1.3 We will communicate with you by post or by e-mail.
- 3.2 Outstanding information or payment**
- 3.2.1 If we need further information from you to enable us to consider your application or we have not received your Premium or Investment Mandate then we will request this information or payment of the Premium from your Financial Adviser by post, e-mail or telephone.
- 3.2.2 You must inform us without delay if your residency or citizenship status changes or if there is any other material change to the information that you and/or your Financial Adviser have given us as this may affect the services we provide. You must provide us with any information we reasonably require about your identity and/or your business affairs. In addition, you must also inform us without delay if your contact details change in the future, for example if your e-mail address, mobile telephone number, landline telephone number or postal address changes, so that we can update our records and, where necessary, communicate with you as explained in Term 22.

3.3 Acceptance by us of your offer

- 3.3.1 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 by post. The contract will start within five Working Days of the date we receive your application, Premium and any further information we require to consider your application.
- 3.3.2 You will receive your acceptance letter, Policy Terms, Schedule and Charges Schedule by post.
- 3.3.3 We may refuse your application or application for additional Premium payments without having to provide a reason.

4. What are your commitments and when does the contract start?

- 4.1** You agree to pay us a Premium in return for the benefits we provide under the Policy.
- 4.2** If we accept your application in accordance with Term 3.3 then we will credit your Premium to the Transaction Account held with us on the day we accept your application. This will be the Contract Date. The Policy will have no value and will not pay any benefit until the Contract Date.
- 4.2.1 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 required 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 mid-market rate on the Working Day before the Working Day that we become aware that the Premium is credited to our bank account.
- 4.3 You may offer to pay us additional Premiums by completing an application.**
- 4.3.1 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.
- 4.3.2 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 by post.
- 4.3.3 If we accept your application, then we will credit your additional Premium to the Transaction Account.
- 4.4** We will not accept premium payment in the form of Asset transfer or cash transfer from a third party.



5. Appointment of Financial Adviser

- 5.1** The Financial Adviser has been appointed by you to deal with your affairs and interests according to whatever terms you have agreed with them.
- 5.2** 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.
- 5.3** We are not responsible for any failure or breach in the relationship between you and your Financial Adviser.
- 5.4** 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.

Part B – General conditions which apply to the Wealth Portfolio - Redemption

6. What benefits will be payable on maturity?

6.1 Maturity Benefit

6.1.1 On the Maturity Date the Maturity Benefit will become payable provided the Policy has not been surrendered.

6.1.2 The Maturity Benefit will be the greater of:

a) a Guaranteed Maturity Value of twice the initial Premium less withdrawals as defined in Term 6.2 below;

or

b) the Surrender Value on the Maturity Date.

6.2 For the purposes of Term 6 only, each time a part surrender is taken, the initial Premium referred to in Term 6.1.2 (a) shall be reduced by the following formula: $P - (S/E \times P)$

Where:

P is the amount of the Premiums paid

S is the amount of the part surrender, and

E is the Surrender Value using the latest published selling prices for the Assets immediately before the partial surrender.

6.3 Proof of title

6.3.1 We will pay the Maturity Benefit following receipt of our reasonable requirements including proof of title of the Claimant to the Policy. These requirements may also include return of the Schedule.

6.3.2 The Claimant must pay any expenses in providing us with the proof we need under Term 6.3.1, including any fees for notaries, translating documents or other fees including costs related to the value or transfer of an Asset to the Claimant.

6.4 What happens if the Assets cannot be sold?

6.4.1 It may not be possible to sell or dispose of Assets because of a situation such as referred to in Term 14 happening or because an Asset is valued less often than daily as explained in Term 9.6.3. In that case where the Surrender Value exceeds the guaranteed Maturity Value, you should be aware that any amount in excess of the guaranteed Maturity Value may be payable in one or more instalments.

a) The first instalment will be for the value of the Assets which we can sell.

b) We will pay a further instalment or instalments when we sell the rest of the Assets.

c) If it is not possible to sell any of the Assets, payment of the amount in excess of the guaranteed Maturity Value will be deferred until we are able to pay either the whole benefit or the first instalment as described in Term 6.4.1 (a) above.

6.5 Payment of the Maturity Benefit by transferring Assets to you.

6.5.1 If we need to pay the Maturity Benefit by transferring Assets for any reason, including where Term 6.4 applies, then payment of all or part of the Maturity Benefit will be satisfied by transfer of ownership of Assets linked to the Policy to the Claimant. If this Term 6.5.1 applies, we will also agree a value of those Assets, taking into account any associated costs of the transfer and any outstanding Portfolio Fund Charges.

6.5.2 You can also ask us to consider paying all or part of the Maturity Benefit by such transfer of ownership where Term 6.4 applies. As owner of the Asset, whether we agree to pay all or part of the Maturity Benefit by such transfer of ownership is a matter entirely at our discretion and we are not required to provide you with any reason for our decision. You can also ask us to consider relinquishing your rights to the value of the Assets linked to the Policy.

6.5.3 If necessary, we will sell Assets to pay for the costs of transferring the ownership of the Assets and outstanding Portfolio Fund Charges, for example paying for the Administration Charge.

6.6 If there are any Units standing to the credit of the Policy in the Fixed Account then their value will also become repayable to us on the Maturity Date.

6.7 On payment of the Maturity Benefit, no further benefit will be payable under the Policy. As an example, dividends received on our Assets after the Maturity Benefit has been paid will be kept by us regardless of which payment period the dividends relate to.



7. What are the portfolio fund and units, and who owns them?

- 7.1** The Portfolio Fund within a Wealth Portfolio – Redemption is managed by a Discretionary Asset Manager and will contain one or more Assets chosen by the Discretionary Asset Manager.
- 7.2** To enable us to calculate the benefits and charges under the Policy, we create notional Units. The Premium on the Contract Date is allocated to the Transaction Account held with us. A debit to the Transaction Account is then made to reflect any reduction in the Premium where the Allocation Percentage is less than 100%. This is known as the Allocation Amount. We use this Allocation Amount to determine the amount to be transferred to the relevant Discretionary Asset Manager. The Allocation Amount on the Contract Date is allocated to Units in the Portfolio Fund. These are known as Allocated Units. The Allocated Units are determined by dividing the Allocation Amount by a notional Unit price of 1 Unit of Policy Currency. For example, if the Policy Currency is pound Sterling GBP, then the Allocation Amount would be divided by a notional Unit price of £1. Each Unit represents a proportionate share of the value of the Assets.
- You legally own the Policy but you have no legal or beneficial interest in the Units or the Portfolio Fund or any underlying Assets that we own.
- 7.2.1** We will decide at our sole discretion whether to use any right which we have as a result of owning any particular Asset, for example voting rights.
- 7.3** The number of Allocated Units will increase if you pay another Premium, and will reduce if we cancel Units to pay benefits, certain Portfolio Fund Charges and encashments under your Policy. After we determine the Allocated Units on the Contract Date, we calculate the price of those Allocated Units on each Quarterly Date and the Final Valuation Date based on the value of the Assets within the Portfolio Fund after any Portfolio Fund Charges have been deducted. We use this price to determine how many Units to allocate to your Policy when you pay a further Premium and how many Allocated Units to cancel when we pay benefits, encashments and certain Portfolio Fund Charges. We have the right to calculate the price of such notional Allocated Units more often than quarterly.

8. The discretionary asset manager

8.1 Appointment of a Discretionary Asset Manager.

- 8.1.1** You must request us to appoint one of the Discretionary Asset Managers with whom we have a legal agreement in relation to the Wealth Portfolio – Redemption. You must submit your request in the application form, together with details of your Investment Mandate in respect of the Policy.
- 8.1.2** If we accept your request, we will confirm the appointment of the Discretionary Asset Manager to you.
- 8.1.3** If we decline your request, we will appoint an alternative Discretionary Asset Manager and inform you.
- 8.1.4** We will make a Portfolio Fund Charge to reflect the fees we pay to the Discretionary Asset Manager for providing discretionary fund management services to us as explained in Term 18.2 the “Discretionary Asset Manager Charge”.

8.2 Your request to replace a Discretionary Asset Manager.

- 8.2.1** After the Contract Date, you may request us to appoint a replacement Discretionary Asset Manager in writing to us at our Head Office. We limit the amount of times you can request the Discretionary Asset Manager to be replaced to a maximum of three in any 12 month period. An Authorised Custodian Amendment Charge will apply if we agree to your request to change the Discretionary Asset Manager.
- 8.2.2** If we agree to this request, then replacement of the Discretionary Asset Manager will not affect any transactions they have already carried out or those which they have already placed binding instructions for. We will confirm the appointment to you. A Discretionary Asset Manager must be appointed at all times, due to the nature of this Policy.
- 8.2.3** If we decline this request, we will appoint an alternative Discretionary Asset Manager and inform you.



8.3 Replacement of a Discretionary Asset Manager by us.

- 8.3.1 We reserve the right to terminate our agreement with the Discretionary Asset Manager with immediate effect.
- 8.3.2 For example, the reasons for terminating the agreement may include if we become aware that a Discretionary Asset Manager:
- a) has been refused membership by, or has been expelled from, a professional organisation; or
 - b) is under investigation by, or has been the subject of disciplinary action by, a regulatory authority; or
 - c) has carried out or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
 - d) ceases to hold the necessary authorisation due to change of law or regulation;

These examples are illustrative and not exhaustive. We will appoint an alternative Discretionary Asset Manager and we will inform you of that.

8.4 Discretionary Asset Manager terminates their agreement with us.

- 8.4.1 The Discretionary Asset Manager may terminate their agreement with us. In such circumstances, we will appoint an alternative Discretionary Asset Manager and inform you.

8.5 Amendment to the Investment Mandate

- 8.5.1 After the Contract Date, you may inform us in writing at our Head Office of any change to your Investment Mandate by completing the Discretionary Asset Manager's Investment Mandate form. If this is acceptable to us, we will inform the Discretionary Asset Manager at the earliest opportunity. We will confirm to you when the new Investment Mandate is in place.
- 8.5.2 We may reject an amendment to your Investment Mandate if it is too prescriptive and therefore could be seen to be influencing the Discretionary Asset Manager's Asset choices.
- 8.5.3 We will limit the number of times you are able to do this to a maximum of three changes in any 12 month period, to ensure you are not seen to be influencing the Discretionary Asset Manager's Asset choices. We reserve the right to reduce the number of changes in any 12 month period.
- 8.5.4 No actions permitted by these Terms will be acceptable if such actions would mean that the Wealth Portfolio – Redemption would meet the definition of a Personal Portfolio Bond as defined in ITTOIA 2005 or successor legislation.

9. What types of assets can be included in the portfolio fund?

- 9.1 The Discretionary Asset Manager will choose what Assets are linked to your Policy. You and anyone acting on your behalf are unable to select or either directly or indirectly influence the selection of Assets linked to your Wealth Portfolio – Redemption.
- 9.2 The Wealth Portfolio – Redemption can invest into much wider Asset classes than those normally available through an investment linked capital redemption Policy available to UK tax residents or returning UK residents. You and your Financial Adviser need to consider if this type of contract is suitable for your needs and risk appetite. Whilst you and anyone acting on your behalf have no influence over the selection of the Assets, you need to ensure that the types of Asset the Discretionary Asset Manager may invest into are suitable for your circumstances. The following are examples of the types of Assets that can be held and some of the risks associated with these types of Assets. We reserve the right to amend the types of Assets, for example if changes in law or regulation require this.
- 9.3 **Shares and other types of equity instruments**
- 9.3.1 The Portfolio Fund may include shares and other types of equity instruments in UK or foreign companies.
- 9.3.2 Shares are generally a fairly volatile asset class – their value can go up and down more quickly than other classes. If a company goes into liquidation its shareholders rank behind the company's creditors in relation to the realisation and distribution of the company's assets.
- 9.3.3 The types of shares includes ordinary shares, preference shares and depositary receipts (but excluding any company within our group of companies)
- 9.4 **Bonds and fixed interest securities**
- 9.4.1 Securities which entitle the holder to interest during their life and repayment of the loan at maturity. They can be issued by companies or governments.



9.5 Units in Collective Investment Schemes

9.5.1 There are many different types of collective investment schemes. Investments may typically include gilts, bonds and quoted equities but depending on the type of scheme may go wider into derivatives, real estate or any other asset. Therefore, there are risks on the underlying assets held by the scheme.

9.6 External Funds and Bank Deposits

9.6.1 Some External Funds and Bank Deposits may set a minimum investment amount. This may mean that such an Asset will have to be sold if the value falls below the provider's then minimum value. We are not responsible for the results of this action.

9.6.2 Some collective funds (for example exchange traded funds) only trade in whole units or in whole numbers of units sometimes referred to as 'lots'.

9.6.3 The Discretionary Asset Manager may invest in Assets which are valued less often than daily or which may exist for a fixed duration. They may also invest in Bank Deposits of a fixed duration. This may result in a delay in selling and sometimes buying Assets.

9.6.4 The Discretionary Asset Manager may request an early sale of these Assets and if the provider agrees, there may be a penalty for selling the Assets early and this would reduce the value of the Portfolio Fund and the amount available to you. There may be a delay in paying the money from the sale until the next date that the Asset is valued and the proceeds are then credited to our bank account.

9.6.5 The Discretionary Asset Manager may invest in Assets which advertise guaranteed returns or an element of capital protection. We accept no responsibility for, and offer no advice about, the value of any such guarantee or capital protection.

9.6.6 The Discretionary Asset Manager may invest in Assets which are commonly referred to as 'experienced', 'professional' or 'qualifying investor' Assets. Such Assets are not intended for retail sale to private investors unless they meet strict financial criteria.

a) Such Assets by their nature usually involve a high degree of risk and often have a minimum investment duration.

b) You understand that there may be a significant redemption penalty should you wish to surrender the Policy or should the Maturity Benefit become payable.

9.7 Structured Products

9.7.1 Investments that are complex in nature and can contain an embedded derivative component with characteristics that adjust the security's risk/return profile. The risks associated with these instrument types can vary significantly.

9.8 Transaction Account

9.8.1 We will credit an amount equal to the Allocation Percentage of all Premiums to the Transaction Account held with us before we transfer your chosen payments to the Discretionary Asset Manager.

9.8.2 The Transaction Account held with us that applies to your Policy will be in the Policy Currency. If you pay a Premium, or the Portfolio Fund includes Assets that are denominated in other currencies, we will also use Transaction Accounts held with us in those currencies for those transaction purposes only.

9.8.3 Any credit (including Asset rebates that we agree to share) or debit balance of the Transaction Account held with us that applies to your Policy is an Asset within your Portfolio Fund. The Transaction Account is legally and beneficially owned by us at all times. If the Discretionary Asset Manager holds a credit balance in the Transaction Account, both you and the Discretionary Asset Manager accept this risk. Any credit balances held in the Transaction Account are invested in accordance with our treasury policy which is available on request. We review our treasury policy on a yearly basis and will amend it from time to time at our discretion. We reserve the right to change any of the financial institutions we use and will do so without notice. When any changes are made to our treasury policy, we will seek to update the treasury policy as soon as reasonably practicable after any material change. In the event of a bank applying negative interest rates, which means the bank will charge us for holding money on deposit as part of our treasury policy, we will apply this to any credit balance held within the Transaction Account. This means that any credit balance value held in the Transaction Account will reduce as a result of this.



A summary of our current treasury policy as at 25 October 2021 is that credit balances in the Transaction Account are invested in accordance with 9.8.3(a) to 9.8.3 (d) below:

- a) Credit balances are held with a range of financial institutions:
 - i) The main bank we use currently is National Westminster Bank (part of the RBS Group). We also use other UK and International banks with a FITCH IBCA rating (or a comparable rating by Moody's or Standard and Poor's) of A or higher.
 - ii) We also use AAA rated money market funds managed by financial institutions.
 - iii) The Default Custodian we currently use to hold our Assets (including credit balances in our Transaction Account) is BNY Mellon.
- b) Currently, a minimum of 75% of the total credit balance held in the pooled Transaction Account is held on instant access or short term deposits.
- c) Cash held within the Transaction Account is pooled and therefore a proportion of any credit balance held in the Transaction Account will be held across all of the financial institutions referred to in 9.8.3 (a)
- d) We review the financial institutions referred to in 9.8.3 (a) on a monthly basis and adjust credit balances held with these financial institutions accordingly.

9.8.4 We pay all Premiums and proceeds of the sale of Assets to the Transaction Account held with us together with any dividend, interest income received or any residual cash as a result of buying and selling Assets or as a result of a corporate action.

9.8.5 We take from the Transaction Account held with us all amounts for payments of:

- a) benefits; and
- b) Portfolio Fund Charges, except on the Final Valuation Date; and
- c) Third-Party Agent Charges and Discretionary Asset Management Charges.

9.8.6 Interest will not be credited for any balance in the Transaction Account held with us. In the event of a bank applying negative interest rates, which means the bank will charge us for holding money on deposit as part of our treasury policy, we will apply this to any credit balance held within the Transaction Account. This means that any credit balance value held in the Transaction Account will reduce as a result of this. Any overdrawn debit balance in the Transaction Account will be charged interest at a rate determined by us based on the amount of the overdrawn debit and our banker's base rate from time to time. Interest will be charged from the date the overdrawn debit is created until it is repaid. The rate is available on request.

9.9 Investment restrictions

9.9.1 The Discretionary Asset Manager must ensure that the chosen Assets are in line with our investment guidelines, the Investment Mandate and any investment restrictions to capital redemption policies set by the Isle of Man Financial Services Authority.

9.10 Removal of an Asset

9.10.1 We have the right to dispose of any Asset if we have reasonable belief that it is no longer a suitable Asset for a capital redemption policy. We may exercise, at our absolute discretion, the relevant rights and powers vested in us as owner of the Asset, to liquidate, wind up or otherwise dissolve the Asset on whatever terms we decide in order to remove the Asset from the Portfolio Fund and all associated costs of such action will be debited from the Transaction Account.

9.11 If any Asset ceases to be acceptable to us or the Isle of Man Financial Services Authority or any successors, the Discretionary Asset Manager will be unable to allocate any further units to this Asset.

9.12 Where all Assets held become illiquid

9.12.1 Where all Assets held become illiquid, it may result in unpaid Portfolio Fund Charges. If the unpaid Portfolio Charges erode the value in the Portfolio Fund so that it falls below our published minimum Portfolio Fund value, then we may either terminate your Policy or you can request to pay an additional Premium.



10. Investment risks and responsibilities

- 10.1** Due to the nature of the contract and the wide variety of Assets which the Discretionary Asset Manager can choose, you should ensure you fully understand and accept all the potential risk exposures. This section is designed to give you information on some of the risk exposures. This section cannot detail all the risks.
- 10.2** All financial products carry a degree of risk. Even low risk investment strategies involve an element of uncertainty. The types of risk that might apply will depend on various matters, including how any relevant Asset is created, the type of Asset, Policy, the location or domicile of the Asset provider, the diversification of the Assets (including the amount invested in any one currency, security, country or Asset provider) and the use of borrowing.
- 10.2.1** Different Assets involve different levels of risk exposure. The value of shares and units can fall as well as rise and they, as well as Bank Deposits and any balance in the Transaction Account held with us, could in exceptional circumstances become valueless either permanently or temporarily if they are suspended. Should any third party (including the Discretionary Asset Manager or Subcustodians) holding cash or Assets linked to your Policy (including Assets or cash in respect of buy and sell instructions where cleared funds have not been credited to our bank account) becomes insolvent, we will attempt to recoup such money or Assets. However, if that third party cannot repay, a debit to reflect any shortfall will be made against your Policy.
- 10.2.2** Shares are also generally a volatile Asset class – their value can go up and down more quickly than other classes. If a company goes into liquidation, its shareholders rank behind the company's creditors in relation to the realisation and distribution of the company's assets.
- 10.2.3** Risk factors may occur simultaneously and may compound each other resulting in an unpredictable effect on the value of any Asset. The value of Assets and the income from them can fall as well as rise and you might lose the original amount invested. Fluctuations in such value and income can result from factors such as market movements and variations in exchange rates. Past performance is not a reliable indicator of future results.
- 10.3** If the Discretionary Asset Manager includes an Asset in your Portfolio Fund, you are agreeing to accept the risk that, for any reason, the Assets may not be managed in line with its objectives and limits. This includes negligent and fraudulent activity. Also, you accept any risk related to any change to the Asset's investment objectives and limits. The Discretionary Asset Manager is responsible for monitoring the Assets. We are not responsible for managing the Assets that the Discretionary Asset Manager has chosen in your Portfolio Fund other than carrying out a treasury function in respect of the Transaction Account(s) held with us. The manager of the Asset is responsible for managing the Asset, including appointing and supervising any administrator and for complying with the stated investment objectives. We have no control over the manager's actions or omissions and we will not monitor the manager or accept any responsibility for making sure that the Asset is properly managed. Similarly, the provider of a Collective Investment Scheme controls the investment policy of a Collective Fund, as does the provider of a Bank Deposit.
- 10.4** We and the Discretionary Asset Manager accept no responsibility for the investment performance of an Asset.
- 10.5** You and your Financial Adviser decide your Investment Mandate for the Wealth Portfolio – Redemption. However, you or your Financial Adviser have no direct or indirect influence over the Assets which your Wealth Portfolio – Redemption is linked to. Instead, the Discretionary Asset Manager will decide which Assets your Wealth Portfolio – Redemption are linked to. The ranges of Assets the Discretionary Asset Manager may invest into are contained within their Terms and Conditions which are available from the Financial Adviser.
- 10.6** You are responsible for ensuring that this type of contract and therefore the Assets linked to your Wealth Portfolio – Redemption are suitable for your circumstances. You understand and accept the risks associated in investing in this contract. You also understand and accept the risks associated with the types of Assets the Discretionary Asset Manager may invest into.
- 10.7** We do not give investment advice. The fact that we may allow or refuse a particular Asset does not indicate any judgment by us about its investment potential or the propriety of the provider of the Asset.
- 10.8** An Asset in the Portfolio Fund to which your Policy is linked may have redemption restrictions applied from time to time. If such restrictions are applied, they will also apply to your Portfolio Fund and may significantly delay the processing of surrenders and benefit payments.

11. How much of a premium is allocated to units and how are assets bought?

- 11.1** The Allocation Percentage is shown in the Schedule. For additional Premiums, it is shown in our letter accepting the additional Premium. This will be sent by post.
- 11.2** The Allocation Percentage is applied to the Premium. Where the Allocation Percentage for the Premium is less than 100%, we then debit the Transaction Account to reflect this adjustment in the Premium. The amount remaining after the adjustment in the Premium is known as the Allocation Amount. We use this Allocation Amount to determine the amount to be transferred to the Discretionary Asset Manager.



- 11.3** We will create Allocated Units based on a notional price of 1 Unit of Policy Currency per Allocated Unit on the Contract Date. For example, if the Policy Currency is Pound Sterling GBP, then the notional Unit price is £1. By dividing the Allocation Amount by the notional Unit price the number of Allocated Units is determined.
- 11.4** For Premiums we accept after the Contract Date, we will use the Allocation Amount to create Allocated Units based on the price of the Allocated Units already within the Portfolio Fund on the previous Quarterly Date or the Contract Date if there is no previous Quarterly Date.
- 11.5** We will credit the Premium to the Transaction Account held with us and determine the Allocation Amount as described in Term 11.2, which we will use to transfer to the Discretionary Asset Manager as explained in Term 11.6.
- 11.6** Where you pay us the Premium, we will credit the amount to the Transaction Account held with us before we transfer it to the transaction account held with the Discretionary Asset Manager.

12. When and how is the portfolio fund valued?

12.1 Contract Date calculation

- 12.1.1** On the Contract Date, we will calculate the value of your Portfolio Fund as follows. The Premium, or converted Premium where your Premium is paid in a different currency to the Policy Currency (the Premium will be notionally converted to the Policy Currency at the mid-market rate on the Contract Date), less:
- a) any reduction in the Premium to reflect an Allocation Percentage of less than 100%;
 - b) any premium tax, stamp duty or other levy imposed on life assurance policies and payable on behalf of the Policyholder.
- 12.1.2** We will then create Allocated Units based on a notional price of 1 Unit of Policy Currency per Allocated Unit. For example, if the Policy Currency is Pound Sterling GBP, then the notional Unit price is £1. By dividing the value in Term 12.1.1 by the notional Unit price the number of Allocated Units is determined.

Example:

If your Premium is £150,000, the Allocation Percentage is 100% and the Policy Currency is Pound Sterling GBP, then the number of Allocated Units will be 150,000. If the Allocation Percentage is 98%, the Allocation Amount would be £147,000 (£150,000 less £3,000 to reflect the reduction in the Premium by 2% as the Allocation Percentage is 98%), then the number of Allocated Units would be 147,000 and the value of each Allocated Unit at that time will be £1.

12.2 Quarterly Date, Final Plan Valuation Date or Final Valuation Date.

- 12.2.1** We will calculate the value of the Assets on the Quarterly Date using the latest published selling prices available for those Assets. We may use independently sourced prices for this. We will not be responsible for any losses arising as a result of someone else pricing incorrectly.
- 12.2.2** On the Final Valuation Date we will calculate the final value of each Asset less any costs involved.
- 12.2.3** We will add to those values any credit balance in the Transaction Account held with us, including any Asset rebates we agree to share with you.
- 12.2.4** We will deduct from that value:
- a) any other Portfolio Fund Charge which applies for the Valuation Period; and
 - b) any Third-Party Agent Charge or Other Charges which have been debited to the Transaction Account held with us during the Valuation Period; and
 - c) any third-party costs incurred for the ongoing administration of Assets, such as legal fees, service provider charges and company registration fees; and
 - d) such amounts as we consider proper for payments and expenses incurred in the management, maintenance and valuation of Assets. These may include our administration costs and any relevant taxes payable in relation to these Assets; and
 - e) any debit balance in the Transaction Account held with us in addition to those mentioned in Term 12.2.4 (c) above; and
 - f) any actual or prospective taxes, levy or Other Charge against the Assets or income of the Portfolio Fund for the Period, including any Value Added Tax (VAT) for services. The share of any such tax, levy or charge debited to the Portfolio Fund will be proportionate and reasonable.



- 12.3** We will then divide the calculated value by the number of Allocated Units rounding the result up to two decimal places to arrive at the price of the Allocated Units for your Portfolio Fund.
- 12.4** We will carry out the valuation within a reasonable period following the Quarterly Date and will provide you with a Quarterly Valuation. We will send you a paper version of the quarterly valuation statement.
- 12.5** We may agree to provide a valuation statement (which will not take into account any accrual of Portfolio Fund Charges) at other times and subject to our right to impose a reasonable charge for the administrative costs incurred.
- 12.6** Payment of a further Premium or taking a part surrender benefit
- 12.6.1 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).
- 12.6.2 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).
- 12.6.3 Our use of the prices referred to in Term 12.6.1 and 12.6.2 are solely for our administrative convenience and will not disadvantage you in any way.
- 12.7** We reserve the right to change the Quarterly Date for administrative reasons. We will inform you of the change to the Quarterly Date before it happens by post.

13. Selling assets to pay for portfolio fund charges

- 13.1** Portfolio Fund Charges will be debited to the Transaction Account held with us.
- 13.2** If there is a credit balance in the Transaction Account held with us then we will use that value towards payment for Portfolio Fund Charges and any other outstanding debits. If the Portfolio Fund Charges and any other outstanding debits exceed the credit balance, this will result in a debit balance in the Transaction Account.
- 13.3** We will request the Discretionary Asset Manager to transfer an amount to us to cover the outstanding debit balance. This is regardless of any maximum overdraft limit on debit balances for the Transaction Account held with us.
- a) If the Discretionary Asset Manager is unable to pay the invoice as there is insufficient cash in its transaction account, then the Discretionary Asset Manager will be instructed to realise Assets to clear any debit balance in the Transaction Account held with us. The debit balance will be reflected as an overdraft in the Quarterly Valuations we provide for you.
- b) Provided the value of the debit balance is more than our published maximum overdraft limit, if any of the debit amount remains outstanding 30 days after the first Quarterly Valuation confirming the debit balance, we have the right to clear any debit balance in the Transaction Account held with us, we will also instruct the Discretionary Asset Manager to sell from:
- i) an instant access or short notice Bank Deposits first and if not, we will request the Discretionary Asset Manager to sell from the highest value Asset, unless that Asset has restricted dealing or early redemption penalties. Under these circumstances, we will instruct the Discretionary Asset Manager to sell from the Asset with the next highest value but no restricted dealing or early redemption penalties.
- ii) if all Assets have early redemption penalties, we will instruct the Discretionary Asset Manager to sell from the Asset with the highest value and you will incur the redemption costs.
- iii) if none of the Assets can be sold, we will defer the sale of Assets as described in Term 14.
- 13.3.1 If we do not instruct the Discretionary Asset Manager as described in Terms 13.3 (b) (i) or 13.3 (b) (ii) 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 Term 13.3 (b) (i) or 13.3 (b) (ii).
- 13.4** We and the Discretionary Asset Manager have the right to defer or decline selling Assets because of a situation such as referred to in Term 14.

14. Deferral and declinature of transactions

- 14.1** It may not be possible for us or the Discretionary Asset Manager to carry out transactions due to a number of factors outside of our or the Discretionary Asset Manager's control.



- 14.2** The provider of an Asset may defer any transaction involving buying and selling an Asset until a date the provider of an Asset considers appropriate and equitable in the circumstances, having regard to the interests of Policyholders generally if:
- 14.2.1 Dealing in an Asset has been suspended; or
 - 14.2.2 Any of the principal stock exchanges or markets on which an Asset is quoted is closed, other than for ordinary holidays, or has restricted dealing; or
 - 14.2.3 The provider of an Asset:
 - a) is unable to return money to make payments following cancellation of units; or
 - b) considers that any transfer of money to buy or sell Assets of a fund or payments that are due when Units are cancelled; or
 - c) believes there are other circumstances which mean it is not possible to calculate fair and accurate prices for Units or any other Assets.
- 14.3** We may decline a request by you for a transaction if we believe that the request is invalid; incomplete; corrupted; compromised or unclear.
- 14.4** We may defer or decline a transaction if we believe:
- 14.4.1 It is unlawful or might be associated with unlawful, criminal, fraudulent or terrorist activity;
 - 14.4.2 That by carrying out the transaction we may breach a legal or regulatory duty that applies to us; or
 - 14.4.3 You are in breach of these Policy Terms.
- 14.5** If your transaction is deferred or declined as explained in Term 14, we will communicate this to you by post.
- 15. Can you get money out of your policy?**
- 15.1** You may request a part or full surrender by completing a surrender form and sending it to us by post.
- 15.1.1 Where there is more than one Policyholder, all Policyholders must approve the request to totally surrender one or more Cluster of Policies, to part surrender a Policy or to take Regular Withdrawals.
 - 15.1.2 We will send you confirmation that we have actioned your request including the details of the transaction by post or e-mail.
 - 15.1.3 We will give instructions to the Discretionary Asset Manager within five Working Days of receiving a fully completed instruction. The Discretionary Asset Manager will make the investment decision regarding which Assets to sell to realise money for your withdrawal request.
 - 15.1.4 The Assets will normally be sold on the next available dealing point administratively available to the Discretionary Asset Manager following receipt of our instruction to them.
 - 15.1.5 Once the realised amount has been credited to our bank account, then subject to receipt of our reasonable requirements, we will make payment of the total surrender proceeds or part surrender proceeds. Regular Withdrawals will be paid on the Regular Withdrawal Due Date in accordance with Term 15.4.
- 15.2** Total surrender of one or more Cluster of Policies
- 15.2.1 You can surrender one or more of your Policies and receive the Surrender Value less any outstanding Portfolio Fund Charges.
 - 15.2.2 To ensure that transactions and Policies remain economically viable, we stipulate a minimum value of a Portfolio Fund. We have the right to refuse a surrender of one or more of your Cluster of Policies if the surrender will reduce the value of the Portfolio Fund below the minimum value we stipulate for a Policy or Cluster of Policies or the current published percentage of the Premium. 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, and we accept the additional Premium. If we choose to exercise this right we will confirm this to you by post. This may be after the fact.
 - 15.2.3 We will not make payment of the total surrender benefits until the realised amount has been credited to our bank account. We can accept no responsibility for late payment due to delay of Assets to be realised, especially if they are not priced daily or if the relevant paperwork is not received.
 - 15.2.4 We have the right to defer or decline any request to surrender because of a situation such as referred to in Term 14.
 - 15.2.5 On total surrender of a Policy, your Policy will end and we will not pay any further benefits. As an example, dividends received on our Assets after the total surrender benefits have been paid will be kept by us regardless of which payment period the dividends relate to.



- 15.2.6 We reserve the right to automatically surrender your Policy immediately and without notice in the circumstances where you have materially breached these Terms, including in circumstances where:
- You are, or we reasonably suspect you may be, using your Policy for an illegal purpose;
 - You are, or we have reason to suspect you may be, acting fraudulently;
 - You exhibit threatening, abusive or violent behaviour towards our employees, either face-to-face, over the phone or in correspondence;
 - We reasonably believe you have applied for the Policy using falsified information or documents;
 - You repeatedly fail to provide us with reasonable information or documents enabling us to comply with our legal and regulatory obligations;
 - We reasonably conclude that by continuing to keep the Policy in force, we may break a law, regulation or Court Order and where such consequence could lead to action against us or to our criminal prosecution.
- 15.2.7 Where we invoke Term 15.2.6, we will pay the total surrender benefits to you as soon as reasonably practicable (unless directed by a Court Order or similar legal instrument to pay the total surrender benefits to an alternative party) by either one or a combination of the following methods:
- By means of a crossed cheque made out in your name and sent by registered mail to the last recorded address we have for you on our records;
 - By bank transfer to the nominated account we hold for you on our records;
 - By the transfer of Assets to you using the relevant details maintained on our records.
- 15.2.8 Once we have paid the total surrender benefit to you under Term 15.2.7, your Policy will end and we will not pay any further benefits. As an example, dividends received on our Assets after the total surrender benefits have been paid will be kept by us regardless of which payment period the dividends relate to.

15.3 Part surrender of a Policy or Cluster of Policies

- 15.3.1 A part surrender of your Policy or Cluster of Policies is made by selling Assets in the Portfolio Fund so that the value of each Policy will be reduced proportionately. You may instead totally surrender one or more Policies.
- 15.3.2 We will cancel Allocated Units to pay the part surrender benefit based on the price of Units on the preceding Quarterly Date (or the Contract Date if there is no previous Quarterly Date). The Discretionary Asset Manager will make the decision regarding which Assets should be sold in order to pay your partial withdrawal request.
- 15.3.3 The Asset that the Discretionary Asset Manager has selected will normally be sold on the next dealing point administratively available to the Discretionary Asset Manager. If the Asset is valued less frequently than daily, the Asset will be sold at the next dealing point administratively available for that non-daily dealing Asset. If we are unable to pay the part surrender benefits because the Asset that the Discretionary Asset Manager has selected is unavailable to sell then your part surrender will not be actioned until we have received new dealing instructions from the Discretionary Asset Manager.
- 15.3.4 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 as described in Term 15.4 where the payment will be made on the Regular Withdrawal Due Date.
- 15.3.5 The 'Early Withdrawal Charge' section of the Charges Schedule sets out the period (expressed as a number of full years) after payment of the Premium during which the Early Withdrawal Charge will apply. Should a part surrender take place during this period then an Early Withdrawal Charge will become payable. However, we will not impose such Early Withdrawal Charge at that time if, following the surrender:
- the remaining Portfolio Fund value is equal to or more than the published percentage of the Premium; and
 - the Surrender Value exceeds our then current published minimum value for the Policy or a Cluster of Policies.
- c) The following example assumes that the current published percentage of the Premium is 25% and that the current monetary value for a Cluster of Policies is £10,000 at the time the surrender is requested.



A Premium of £300,000 is paid. A part surrender of £250,000 is requested. The Surrender Value is £420,000. The remaining Surrender Value is £170,000 (£420,000 – £250,000) which is higher than 25% of the Premium and higher than our current minimum monetary value for a Cluster of Policies. Therefore an Early Withdrawal Charge will not be imposed at the time of the part surrender. An Early Withdrawal Charge would apply where the remaining Surrender Value was less than £75,000 (25% of the Premium), but only in respect of the amount of the remaining Portfolio Fund falling below £75,000.

So if in the above example a part surrender of £370,000 was requested instead, then as the remaining Surrender Value is £50,000 (£420,000 – £370,000), an Early Withdrawal Charge would apply in respect of £25,000 (£75,000 – £50,000).

- 15.3.6 The Establishment Charge detailed in Term 17.2 will continue to be payable as though a part surrender had not occurred.
- 15.3.7 We have the right to defer or decline any request for part surrender because of a situation such as referred to in Term 14.
- 15.3.8 To ensure that transactions and Policies remain economically viable, we stipulate a minimum value of a Portfolio Fund. We have the right to stop part surrenders if the part surrender will reduce the value of the Portfolio Fund below the minimum value we stipulate for a Policy or Cluster of Policies or the current published percentage of the Premium. If at any time the Portfolio Fund value falls below our minimum published amount for maintaining a Portfolio Fund then:
 - a) We have the right to automatically surrender your Policy or Cluster of Policies unless you offer to pay us an additional Premium and we accept the additional Premium. If we choose to exercise this right, we will confirm this to you by post. This may be after the fact.

15.4 Regular Withdrawals

- 15.4.1 You may take Regular Withdrawals each month, two months, three months, four months, six months or year, depending on our minimum published withdrawal limit by sending us instructions by post. 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 by post at least one month before the change will take place.
- 15.4.2 We will pay the Regular Withdrawals on the Regular Withdrawal Due Date subject to Term 15.4.3(b). This will be paid by debiting the Transaction Account held with us.
- 15.4.3 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).
 - a) Where we are paying the Regular Withdrawal and there is sufficient credit 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 by post after this transaction has taken place.
 - b) Where we are paying the Regular Withdrawal and there is insufficient 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 Discretionary Asset Manager has advised us that it cannot release funds to us. We will send confirmation by post after this transaction has taken place.
 - i) If the Discretionary Asset Manager is unable to send us the funds to cover the Regular Withdrawal, we will contact you by post.
 - ii) Once the Discretionary Asset Manager 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 16.
- 15.4.4 We reserve the right to cancel any request for Regular Withdrawals because of a situation such as referred to in Term 14 or if the Discretionary Asset Manager does not fulfil their responsibility in Term 15.4.6.
- 15.4.5 To ensure that transactions and Policies remain economically viable, we stipulate a minimum value of a Portfolio Fund. We have the right to stop Regular Withdrawals if the Regular Withdrawal will reduce the value of the Portfolio Fund below the minimum value we stipulate for a Policy or Cluster of Policies or the current published percentage of the Premium. If at any time the Portfolio Fund value falls below our minimum published amount for maintaining a Portfolio Fund then:
 - a) we reserve the right to automatically surrender your Policy or Cluster of Policies unless you offer to pay us an additional Premium and we accept the additional Premium. If we choose to exercise this right, we will confirm this to you by post. This may be after the fact.



15.4.6 It is the responsibility of the Discretionary Asset Manager to ensure the cost of the Regular Withdrawals can be made.

15.5 Inability to sell an Asset

15.5.1 It may not be possible to sell or dispose of an Asset because of a situation such as referred to in Term 14 happening.

- a) if you ask for a total surrender of all your Cluster Policies we may pay the Surrender Value in one or more instalments.
 - i) The first instalment will be for the value of the Assets which can be sold as though they were the only Asset for total surrender of all your Cluster Policies in accordance with Term 15.2; and
 - ii) A further instalment or instalments will be made when the remaining Assets have been sold.
 - iii) In such circumstances, if it is not possible to sell any of the Assets, we will defer payment of your Surrender Value until we are able to pay either the whole Surrender Value or the first instalment as described by Term 15.5.1. (a) (i), unless you request by post and we agree to transfer ownership of the Asset to you as provided by Term 15.8.1 where this possible. As owner of the Asset, whether we agree to pay all or part of the Surrender Value by such transfer of ownership is a matter entirely at our discretion and we are not required to provide you with any reason for our decision.

15.6 If you ask us to surrender a Policy, in full or in part, you must meet our reasonable requirements including providing proof that you are entitled to the Policy. We may also ask you to return the Schedule and complete a surrender form.

15.7 We will make payment when the amount from the last sale of the Assets has been credited to our bank account.

15.8 Surrender by transfer of Asset to you.

15.8.1 Provided it is permitted by law and regulation and with your consent including where Term 15.5 applies, then we may pay all or part of a payment due by transferring the ownership of Assets linked to the Portfolio Fund to you and Term 15.7 will not apply.

15.8.2 You may also ask us to pay you by transferring the ownership of Assets linked to the Portfolio Fund to you.

- a) if we agree to your request, we will agree a value of those Assets (taking into account any associated costs of the transfer and any outstanding Portfolio Fund Charges and Third-Party Agent Charges).
- b) if necessary, we will sell Assets to pay for the costs and outstanding Portfolio Fund Charges and Third-Party Agent Charges out of the Asset we are transferring.

16. What are the portfolio fund charges and how are they paid?

16.1 The Charges Schedule which forms a part of the Policy shows the details of each Portfolio Fund Charge that will, or in certain instances may, apply to your Policy.

16.2 Any outstanding charge will also be deducted from the Portfolio Fund on the Final Valuation Date or Final Plan Valuation Date.

16.3 Your Charges Schedule will confirm which charging basis you have agreed to. If the charging basis provides that charges are based on the higher of the Premium or the Portfolio Fund value, then you should be aware that if the value of the Portfolio Fund falls below the Premium the charge will apply to the value of the Premium paid and not the lower Portfolio Fund value.

16.4 What happens if an Asset in your Portfolio Fund cannot be sold to pay Portfolio Fund Charges?

16.4.1 There may not be enough credit balance in the Transaction Account held with us. It may also not be possible to sell units or shares in any other Assets because of a situation happening such as those referred to in Term 14. In that case we will carry forward the outstanding charges as a debit balance on the Transaction Account held with us until we can sell the Asset.

16.5 Investing in External Funds

16.5.1 Many External Funds will 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 any Management Charge.



17. Portfolio Fund charges

17.1 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. The Charges Schedule will show the amount of the charge and the period it applies to and how we work out the charge.

17.1.1 We will calculate the charge using the Quarterly Date or where applicable the Final Valuation Date or Final Plan Valuation Date. We will deduct the charge from the Transaction Account held with us on the Deduction Date and, if applicable, on the Final Valuation Date or Final Plan Valuation Date. We will instruct the Discretionary Asset Manager to sell the Asset as described in Term 13. As well as the charges shown in the Charges Schedule, charges imposed by third-parties may apply as explained in Term 18.

a) We may amend the date of the Deduction Date in the future. We will tell you about any change to the Deduction Date which varies the current Deduction Date by more than one week by post.

17.1.2 Where the Portfolio Fund value is not sufficient to meet the deduction of a charge which is due, the Policy will lapse without value and no further benefits will be payable from the Policy. This includes the Maturity Benefit.

17.1.3 Where a charge is stated to be reviewable the following Terms will apply:

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

b) We will tell you about any change to the charge by post in your Quarterly Valuation or by letter at least one month before the change takes effect.

c) 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 expenses incurred by us which are reasonable in amount and reasonably incurred. Any such change will be proportionate.

d) In exceptional circumstances our Actuary may advise us that it is appropriate to review the charge immediately, taking account of the facts in Term 17.1.3 (c). We will inform you of this fact by post or electronically in accordance with Term 22. This may be after the revised charge applies.

17.2 Establishment Charge

17.2.1 This charge will apply in arrears on each Quarterly Date for the number of full years shown in the Charges Schedule.

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

a) the Valuation Period which includes the Contract Date; and

b) the Valuation Period which includes the Final Valuation Date if within the period relevant to this charge.

17.2.3 The charge will be based on either:

a) the relevant Premium; or

b) the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium; or

c) the proportion of the value of the Portfolio Fund in respect of the relevant Premium.

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

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

17.3 Administration charge

17.3.1 The charge is a monetary amount shown in the Charges Schedule in the Policy Currency and payable in arrears on the Deduction Date (and the Final Valuation Date).

17.3.2 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 Quarterly Valuation Date or the Final Valuation Date.

17.3.3 The amount of this charge is reviewable as described in Term 17.1.3



17.4 Management charge

- 17.4.1 One or more amounts may apply for this charge.
- 17.4.2 The charge will apply in arrears on each Quarterly Date and if applicable the Final Valuation Date. Your Charges Schedule will show when each Management Charge level will start to be deducted and the number of full years it will be taken for unless the Policy comes to an end sooner.
- 17.4.3 We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence for:
 - a) the Valuation Period which includes the Contract Date or the commencement of a Management Charge,
 - b) the Valuation Period which includes the end date of a Management Charge; and
 - c) the Valuation Period which includes the Final Valuation Date if within the period relevant to this charge.
- 17.4.4 The charge will be based on either:
 - a) the relevant Premium; or
 - b) the proportion of the value of the Portfolio Fund in respect of the relevant Premium; or
 - c) the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium.
- 17.4.5 A separate charge will apply from the Premium Acceptance Date in respect of each additional Premium.
- 17.4.6 Where the charge is based on the relevant Premium, if a part surrender is taken from the Cluster of Policies then the Management Charge will continue to be payable as though a part surrender had not occurred.
- 17.4.7 A minimum or maximum monetary charge in Policy Currency may apply as specified in your Charges Schedule. This is reviewable as described in Term 17.1.3.

17.5 Ongoing Servicing Charge

- 17.5.1 This charge applies where you have agreed a fund based commission with your Financial Adviser where regulatory rules allow.
- 17.5.2 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).
- 17.5.3 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;
 - b) the Valuation Period which includes the end date of an Ongoing Servicing Charge; and
 - c) the Valuation period which includes the Final Valuation Date if within the period relevant to this charge.
- 17.5.4 You may request us to change this charge in the future by writing to us at our Head Office. All Policyholders have to agree to the change. Any amendment will be subject to our approval which if granted will be actioned and take effect on the date our approval is granted. A pro-rata proportion of the charge described under Term 17.5.3 would apply at the next Quarterly Date.
- 17.5.5 Any change will be communicated to you by post.

17.6 Early Withdrawal Charge

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



- 17.6.2 The charge will be the relevant percentage, as shown in the Charges Schedule, in respect of:
- a) the relevant Premium; or
 - b) the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium; or
 - c) the proportion of the value of the Portfolio Fund in respect of the relevant Premium depending on the time since payment of the Premium as shown in the Charges Schedule.
- 17.6.3 A separate charge will apply in respect of each additional Premium that is paid.

17.7 Currency Dealing Charge

- 17.7.1 Any costs incurred in converting any sum from one currency to another for a transaction may be deducted from the amount available for the transaction.
- 17.7.2 If a Currency Dealing Charge is shown in the Charges Schedule, then the charge will be made in respect of each conversion from one currency to another.

17.8 Authorised Custodian Amendment Charge

- 17.8.1 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 a Discretionary Asset Manager.
- 17.8.2 The charge will apply on each transfer of Assets between Discretionary Asset Managers, other than the initial appointment of the Discretionary Asset Manager.
- 17.8.3 The charge is shown in the 'Charge Sheet' form in the Policy Currency.
- 17.8.4 This will be deducted from the Transaction Account held by us on the date the amendment is made.
- 17.8.5 The amount of this charge is reviewable as described in Term 17.1.3.

17.9 'Paper Valuation Charge'

- 17.9.1 Should you request us to, we will send you a hard copy of a valuation statement as described in Term 12.5, but there is a charge for every copy sent to you known as a 'Paper Valuation Charge'. This will be deducted from the Transaction Account held with us on the date we send the paper Valuation statement. This charge will not apply to valuation statements sent to you on the Quarterly Date.
- 17.9.2 The charge is a monetary amount shown in the Policy Currency in the Charges Schedule.
- 17.9.3 The amount of this charge is reviewable as described in Term 17.1.3.

18. Third-party agent charges and other charges

18.1 Third-Party Agent Charges

- 18.1.1 There are various third-party charges related to the Wealth Portfolio – Redemption. These charges will be debited to the Transaction Account held with us or debited by the Discretionary Asset Manager and debited to the Portfolio Fund at each Valuation Date unless debited earlier.
- 18.1.2 As examples, these charges may include:
- a) currency conversion charges for payment of any benefit in a currency other than the Policy Currency.
 - b) currency conversion charges to purchase any Asset in a different currency.
 - c) remittance charges to pay benefits by a method requested by you.
- 18.1.3 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.

18.2 Discretionary Asset Manager Charge

- 18.2.1 This charge will apply in arrears on each Quarterly Date or if applicable the Final Valuation Date. This will either be:
- a) an annual percentage of the value of the Assets managed by the Discretionary Asset Manager; or
 - b) a fixed monetary amount per annum.
- A separate charge will apply for each Discretionary Asset Manager appointed.
- 18.2.2 The charge will be provided in the application form.



- 18.2.3 We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence for:
- a) the Valuation Period which includes the Contract Date or the commencement of a Discretionary Asset Manager Charge,
 - b) the Valuation Period which includes the end date of a Discretionary Asset Manager Charge; and
 - c) the Valuation Period which includes the Final Valuation Date if within the period relevant to this charge.
- 18.2.4 The payment date and therefore when we debit the Transaction Account held with us will usually be the second Friday of the Quarter or when this day is not a Working Day, the next Working Day. This date will vary depending on the type of Assets held, and the Discretionary Asset Manager's or Subcustodian's internal processes for reporting to us.
- 18.2.5 We will continue to take this charge until our agreement with the Discretionary Asset Manager is terminated as described in Term 8.

19. Other charges – direct and indirect expenses, taxes and associated currency transactions

- 19.1 Various other charges may arise on payment of a Premium or when a transaction takes place. They will either be taken before the amount is made to us or we will take them from the amount we receive.
- 19.1.1 These charges may be imposed in the currency of the transaction even if it is not the Policy Currency.
- 19.1.2 As examples, these charges may include:
- a) charges imposed by a banker for a telegraphic transfers;
 - b) stockbrokers' charges and fees;
 - c) stamp duty or other fiscal imposition on a sale or purchase;
 - d) withholding taxes; and
 - e) foreign exchange charges.
- 19.1.3 This is not a complete list and we have no control over these charges other than for charges described in Term 19.1.4 below. As a result they may increase, reduce, stop, or be introduced without notice to you or us.
- 19.1.4 If we incur charges due to telegraphic transfers, we will consider the costs imposed on us by a bank or other financial institution and our costs of administering the telegraphic transfer when deciding the level of charge that we will apply.

20. Joint ownership

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

21. Communications to us

- 21.1 General Provisions
- 21.1.1 There are several methods by which you can communicate with us and these are set out in more detail in Terms 21.2 to 21.4 below. The following general provisions apply to all these methods of communication. In the event that there is a conflict between these general provisions and the method specific provisions set out in Terms 21.2 to 21.4, the latter will take precedence.
- 21.1.2 If all or any part of your communication to us is illegible, ambiguous, conflicting or unclear in any way to us, then we will not act on that instruction and will use our best endeavours to inform you of that and resolve the issue. We can accept no responsibility for any consequences of any delay or failure to carry out all or part of an instruction in such circumstances.
- 21.1.3 At all times we retain a right, in our absolute discretion, to require that further information or documents are provided to us in respect of any instruction we receive before we are required to accept such an instruction.
- 21.1.4 You are solely responsible for the accuracy and correctness of all instructions sent to us and you must check them prior to them being submitted to us. Upon receipt of any instructions we will seek to implement them without further reference to you and we are not responsible if those instructions are inaccurate or incorrect.



- 21.1.5 We will not acknowledge the receipt of any communication from you. If you wish to obtain such acknowledgement, you must seek that from us separately. We will therefore act on all communications received without further reference to you.
- 21.1.6 Once an instruction has been communicated to us, we may not be able to change or stop that instruction. If we can change or stop the instruction, you agree to indemnify us for all expenses, costs or losses we may suffer, howsoever arising, as a result.
- 21.1.7 In the event that you believe that there has been any failure, delay or error in us carrying out an instruction sent to us, you must immediately advise us of the same.
- 21.1.8 Where any method of you communicating with us involves you using security details, you must keep those details secure and ensure that they are only used by you or persons authorised by you. In the event that you fail to keep those details secure and/or they are used by anyone not authorised by you, we are not responsible for any resultant loss or damage you may suffer except where it is through our own negligence.
- 21.1.9 We can, in our reasonable discretion, refuse to carry out an instruction if:
 - a) It may result in us or another company within our group of companies breaking a law, regulation, code or other duty which applies to either us or any company within our group of companies. Unless regulatory or other legal requirements prevent us from doing so, we will inform you that we have exercised our discretion in refusing to carry out an instruction; or
 - b) We suspect that an instruction may be fraudulent or is potentially connected to any suspected fraud, whether against us, you or any third party. Where we exercise this discretion, we may seek confirmation from you as to your instructions and we may report the matter to any interested third parties (including the police or other authorities). We will only carry out the instruction if our concerns have, in our reasonable view, been satisfactorily resolved.
- 21.1.10 We have the right to amend the provisions of Term 21 in our absolute discretion, provided that any such amendments are communicated to you.

21.2 Communications to us by post or courier

- 21.2.1 Any communication received by us by post or courier is legally equivalent to that communication being personally signed by you, whether initiated by you or not.
- 21.2.2 You accept the risk of sending communications to us either by secure or unsecured post or courier.
- 21.2.3 Communication with us by post or courier shall only be valid if:
 - a) Physically received by us at our Head Office; and
 - b) If signed by the Policyholder personally.
- 21.2.4 'Received' in the context of Term 21.2 means that we have received the relevant item by postal delivery or courier at our Head Office on a Working Day by 10:00 am Isle of Man time. If we receive any such item after 10:00 am, it shall be treated as having been received on the next Working Day, regardless of what time after 10:00 am it was received.

21.3 Electronic communication

- 21.3.1 We will accept communications from you electronically such as by e-mail. Where we have accepted such a method of communication, such as e-mails from an identified e-mail address, receipt of such a communication by us will be legally equivalent to that communication being personally signed by you, whether initiated by you or not.
- 21.3.2 In the event that you change your means of communicating with us electronically, such as your e-mail address, you must immediately advise us of such change. In the absence of such information, we are entitled to treat any communication by means of the previously identified method (such as an e-mail address) as being a communication from you personally.
- 21.3.3 We strongly recommend that all personal, financial and banking information is sent to us through a secure means and that you implement robust security measures to reduce the risk of information and your electronic communications to us being lost, altered or stolen. We are not responsible for any electronic communications (of any type) intended for us which are lost, altered or stolen. You must ensure that all devices used by you to communicate electronically with us are secure, have reasonable protection from viruses and hacking and are never placed in the possession or control of any third parties not authorised by you. We are not responsible for any losses, expenses or costs caused or contributed to by any failure on your part to ensure that all electronic communication to us is secure and cannot be accessed by anyone not authorised by you.



21.3.4 In the event that we receive a form of electronic communication which appears to us to be from you, but has been generated by a third party, whether authorised or not, where the receipt of that communication by us has arisen from any failure on your part to secure or protect your devices, e-mail accounts or confidential information, we are entitled to assume that such electronic communication is from you or on your behalf and it will bind you unless we have acted negligently.

21.3.5 Proof that you sent an electronic communication to us will not be proof that it has been received by us, irrespective of any transmission confirmation at the sender's location.

21.4 Communications to us by telephone

21.4.1 We may also accept instructions or requests to exercise policy options by telephone subject to such conditions and safeguards we consider reasonable and appropriate. Where we have accepted communications to us by telephone, we will consider such communication to be legally equivalent to a personally signed instruction from you.

21.4.2 Where we receive communications by telephone, the caller will be asked to provide security details in order for us to verify the caller. You must keep those security details secure and ensure that they are only used by you or persons authorised by you. In the event that a caller provides us with such security details to our satisfaction, any instructions provided by that caller to us are binding on you, except where we have been negligent.

22. How will we communicate with you?

22.1 We will contact you by post, telephone or by other electronic means (such as by e-mail). Where we communicate with you by any of these methods, it is legally equivalent to you physically receiving communication from us in writing.

22.2 In communicating with you by any of the means provided in Term 22.1, we will use the most recent details you have provided to us. You must immediately inform us of any changes to those details. We accept no liability for any loss or damage suffered if we have not been informed of your most recent contact details. You also will indemnify us for any loss, damages, expenses or costs incurred by us, howsoever arising, as a result of any failure to provide us with up to date or accurate contact details.

22.3 Except in cases of negligence on our part, where we have sent you communications, including any notices, they shall be treated as having been received by you as a result of them being sent to you, whether or not they are actually received by you or seen by you.

22.4 We are not responsible for any loss or damage caused by any interception, loss or alteration of any of our communications to you, except where we have been negligent. If you suspect that any of our communications to you have been intercepted, lost or altered, you must inform us immediately.

22.5 Where any communication is sent to the Lead Policyholder, such communication shall be deemed to have also been provided simultaneously to all Policyholders.

22.6 We have the right to amend the provisions of Term 22 in our absolute discretion, provided that any such amendments are communicated to you.

22.7 All communications to you and received by you may be recorded and stored by us for our records. We may use such records for any purpose relating to our business, including for training purposes, regulatory requirements, checking the accuracy of instructions received, for verifying identities and resolving any disputes we may have, either with you or third parties.

23. Policy currency and where benefits are payable

23.1 We will pay all benefits in the Policy Currency at our Head Office.

23.2 If the Policy Currency is replaced by another currency, then the Policy Currency will become that new 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 Euros based on the rate of conversion provided for by legislation.

23.3 If a Policy Currency is abandoned and is replaced by more than one currency (such as where the euro is abandoned) then the new Policy Currency will be the Pound Sterling GBP.



24. Right to vary the Terms because of changes to law and taxation

24.1 Our Actuary may advise us to vary these Terms and the benefits we pay under the Policy if we cannot maintain the Policy in line with these Terms without this having a negative effect on us or our Policyholders generally because of:

- 24.1.1 Any statutory or regulatory levy being imposed; or
- 24.1.2 Any change in law or taxation or regulatory practice which affects:
 - a) us; or
 - b) the policies we issue; or
 - c) the funds we keep; or
 - d) the Assets.

24.2 Any change we make to these Terms and the benefits we pay will be appropriate to put us and our Policyholders into the financial position we both would have been in but for the levy or change.

24.3 We will tell you about any change to these Terms at least one month before the change will take effect.

25. Anti-money laundering and countering terrorist financing

25.1 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 the Isle of Man or any other relevant jurisdiction. We can only proceed with the allocation of Premiums or the payment of benefits when the information provided complies with the regulations and legislation.

25.1.1 We can accept no responsibility for any delay or failure to carry out your instruction or request in such circumstances. If our requests for information and documents required under this Term are refused, we reserve the right to invoke Terms 15.2.6 and 15.2.7 to surrender the Policy.

26. Information technology failure and force majeure

26.1 We will not be liable or have any responsibility for any loss or damage, fall in investment value or loss of investment opportunity incurred or suffered because of a delay or failure to perform our obligations when an event occurs that we could not reasonably control.

- 26.1.1 As examples, such events include:
- a) any act (or credible threat) of terrorism;
 - b) acts of government, local authority or regulatory body;
 - c) acts of God, explosion or fire, earthquake, extraordinary storm, flood, abnormal weather conditions or other natural catastrophe, radioactivity, sonic bangs, pollution, any nuclear, chemical or biological contamination or any strikes, lockouts or other industrial disputes (other than to the extent involving our workforce or other personnel);
 - d) riot, civil unrest, commotion or rebellion, war or civil war (whether or not declared) or armed conflict, invasion and acts of foreign enemies, blockades, embargoes (including as to trade);
 - e) an unavoidable accident;
 - f) the loss of supply of essential services including but not limited to electrical power, telecommunications, air conditioning and essential third party services;
 - g) failure outside of our control of our information technology systems including those caused by network attacks, provided we have reasonable procedures in place by way of virus protection on our networks and a disaster recovery programme; or
 - h) any other cause beyond our reasonable control as a consequence of which we can no longer administer your Policy for a given period.

These examples are illustrative and not exhaustive.

27. Assigning your policy to someone else

27.1 If you assign this Policy to someone else and we note and acknowledge the assignment or notice of such assignment, we accept no responsibility for the legality or effect of the transaction to which it relates. The appointment of the Discretionary Asset Manager will continue after the Policy has been assigned.

27.2 If an assignment is not in respect of all of the Policies then we reserve the right to require that the Policy or Policies that are assigned are:

- 27.2.1 Endorsed to show a new Policy number for administrative purposes; and
- 27.2.2 Allocated to a new Portfolio Fund for the proportion of the value of the Portfolio Fund represented by those Policies.



27.3 You must tell us if you assign your Policy as soon as the Policy has been assigned.

27.4 You should provide the new Policyholder (following an assignment) with a copy of the Policy Terms or refer them to us to obtain a copy of the Policy Terms.

27.5 It is the responsibility of the new Policyholder to determine whether they meet our definition of Professional Investor. The new Policyholder should read the Policy Terms for the Wealth Portfolio - Redemption. In particular, the risks of investing in Assets which are suitable only for Professional Investors in accordance with Term 1.2.2.

28. Third-party rights

28.1 Only the Policyholder or their legal personal representatives (including trustees where the Policy is subject to a trust), may enforce the Terms of the Policy.

29. Change of country of residence

29.1 You have an obligation to advise us immediately should your country of residence change, to enable us to comply with any laws and regulations imposed upon us in respect of the Policy. You are responsible for any tax reporting and liability in relation to your Policy required by the relevant tax authorities. Your country of residence could vary how your policy is taxed, and you should seek professional tax advice before moving to a new country.

30. Relevant law

30.1 The Terms of this Policy are to be interpreted and governed by the law of the Isle of Man and are subject to the exclusive jurisdiction of the courts of the Isle of Man.

31. Complaints procedure

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

If you are not satisfied with our response you can complain to:

The Financial Services Ombudsman Scheme for the Isle of Man (FSOS)

Thie Slieau Whallian
Foxdale Road
St John's
Isle of Man
IM4 3AS
British Isles

Referral to FSOS must be made within six years of the act or omission which led to your complaint. Complaining to the FSOS may affect your legal rights.

With effect from 1 April 2012, the maximum award limit paid by the Financial Services Ombudsman Scheme was increased to £150,000 for complaints where the act or omission occurs on or after 1 April 2012. The maximum award limit on other complaints remains at £100,000.

32. Can you change your mind and cancel the contract?

32.1 You may change your mind and cancel the contract within 30 days of the date you receive our letter confirming the date your Policy started. We would expect you to receive our letter within standard postal delivery timescales (which would generally be within seven days of the date the letter is dispatched).

32.2 If you wish to cancel the contract then you must advise us in writing at our Head Office.

32.3 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. This will be the case if the value of the Assets falls between the Contract Date and the date you advise us that you wish to cancel the contract in accordance with Term 32.2.

Non-refundable Asset charges and bank charges will also be deducted from the Premium you paid which could also result in you receiving less than the Premium you paid.

32.4 If at any time after the Contract Date you agree to pay an additional Premium, then you may change your mind and cancel your additional Premium within 30 days of the date that you receive the letter accepting your additional Premium by post or an e-mail. We would expect you to receive our letter within standard postal delivery timescales (which would generally be within seven days of the date the letter is dispatched).

32.5 If you wish to cancel the additional Premium then you must advise us in writing at our Head Office.



32.6 The amount of the additional Premium refunded will be less a deduction of the amount (if any) by which the value of Assets for the additional Premium has fallen between the time the additional Premium was paid and the date your notification of your cancellation of your additional Premium is received by us.

Non-refundable Asset charges and bank charges will also be deducted from the additional Premium you paid which could result in you receiving less than the additional Premium you paid.

33. Market timing

33.1 Market Timing can be disruptive to fund management and may cause dilution in funds which is detrimental to long-term investors. We seek to monitor Market Timing and take appropriate action where such activity is identified.

33.2 We or the provider of the Asset 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 or the provider of the Asset reasonably consider any activity to constitute Market Timing. We or the provider of the Asset may impose an appropriate levy or charge which will be passed on to relevant Policyholders within the price of units or shares allocated or cancelled. We or the provider of the Asset can accept no responsibility for any economic or other loss suffered through the exercise of such rights by us or the provider of the Asset.

33.3 We have the right to defer or decline carrying out a dealing instruction because of a situation such as those referred to in Term 14.

33.4 We have the right to agree to change the timings set out in this Term 33 to take advantage of improvements in communication and the possibility of more than one dealing point in a day.

34. Policyholder tax liability and reporting

34.1 You are responsible for any tax reporting and liability in relation to your Policy required by the relevant tax authorities. Your country of residence could vary how your Policy is taxed, and you should seek professional tax advice before moving to a new country.

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