

Advantage Investment Plan

Specific Policy Conditions



1. These Conditions

- 1.1 These Specific Policy Conditions will take precedence over the Core Policy Conditions and Asset Rules.
- 1.2 Expressions defined in the Core Policy Conditions have the same meanings in these Conditions.
- 1.3 For the purpose of these Conditions, the following additional definitions apply:

Annual Investment

A monetary premium payable under a Policy made by a method accepted by the Company.

These Conditions

These specific policy conditions for the Advantage Investment Plan.

Minimum Death Benefit

The amount specified in the Policy Schedule as the minimum amount of the Death Benefit payable under each Policy for it to continue to be a Qualifying Policy.

Qualifying Policy

A policy of insurance which is a Qualifying Policy for the purposes of Part I of Schedule 15 to the Income and Corporation Taxes Act 1988.

Reinvestment Option

The option granted in section 6 of these Conditions.

2. The Plan

- 2.1 In accordance with the Core Policy Conditions the Plan comprises several separate Policies of insurance on identical terms as shown by the numbers on the Policy Schedule. Each Policy is a ten year Annual Premium Endowment Life Assurance Policy incorporating the terms of these Conditions. No other policies are or will be comprised in the Plan.
- 2.2 Each Policy will have the same Maturity Date which is shown on the Policy Schedule. The Maturity Date will be the date closest to the tenth anniversary of the Commencement Date so that the Policies are a Qualifying Policy.

3. Annual Investments

- 3.1 The Annual Investments shown on the Policy Schedule are the premiums payable under each Policy to secure the benefits described within these Policy Conditions.
- 3.2 The amount of each Annual Investment and the relevant due date is set out in the Policy Schedule.
- 3.3 The Policyholder agrees to make Annual Investments on the Commencement Date and on each anniversary of the Commencement Date prior to the Maturity Date.
- 3.4 Condition 3.4 of the Core Policy Conditions will not apply to this Plan and no investment will be accepted into any Policy if the investment would mean that the Policy is no longer a Qualifying Policy.

4. Annual Investment Conditions

- 4.1 The Company must receive each Annual Investment within thirty days of the due date.
- 4.2 If the Company does not receive payment of an Annual Investment in full within thirty days of the due date, then the relevant Policy will be terminated and these Conditions will apply as if the Policyholder(s) had requested a withdrawal of the value of that Policy. The Company may at its discretion accept a request not to terminate the Policy but to allow it to remain in force until the Policyholder(s) voluntarily terminates the Policy or the Maturity Date is reached, whichever is the sooner. If the Company agrees to such a request, no further Annual Investments will become due, the Policy will cease to be a Qualifying Policy and the Minimum Death Benefit will be set to zero.

5. Death Benefit

5.1 The Policy shall comprise of one life under a single Life Policy or two lives under a joint Life Policy.

5.2 Except in the case of suicide, the Death Benefit will become payable if the Life Assured under a single Life Policy dies, or in the case of joint life Policies, the last surviving Life Assured dies whilst this Policy is in force.

5.3 If the death of either Life Assured occurs as a result of suicide (whether or not at the time of such action the Life Assured was sane or insane), then the Company will cancel the Plan and all Policies from inception and return all premiums paid (or the value of the Plan if this is lower).

5.4 The Death Benefit payable under each individual Policy will be 101% of the value of the part of the Personal Fund allocated to that Policy on the Valuation Date following the date of notification of death, or if greater, the Minimum Death Benefit. The amount payable in respect of the Minimum Death Benefit will include any amount payable under the Supplementary Life Cover referred to in the Core Policy Conditions. The amount of Supplementary Life Cover that is automatically granted is the minimum required to achieve the Minimum Death Benefit.

5.5 If a death giving rise to a death claim under a Policy occurs within thirty days after the due date for payment of an Annual Investment and that Annual Investment has not been paid, then the Death Benefit under that Policy will be calculated as if the Annual Investment had been paid on the due date and the amount of the unpaid Annual Investment will be deducted from the amount payable as the Death Benefit.

5.6 If a death claim is made as a result of one of the following events:

- a. the death of the last surviving Life Assured occurring as a result of an "Excluded Event", which is any event specifically listed on the Policy Schedule as an Excluded Event
- b. the death of the last surviving Life Assured occurring, where the death of the other Life Assured was the result of an Excluded Event

then there will be a debt made against the Minimum Death Benefit which is the excess, if any, of the Minimum Death Benefit over the value of the Policies then comprised in the Plan.

5.7 The Policyholder(s) must inform the Company in writing in advance if at any time either of the Lives Assured intends to take part in:

- a. Hazardous pursuits, including, but not limited to, boxing, caving, climbing, horse-racing, jet-skiing, martial arts, mountaineering, off-piste skiing, pot-holing, power-boat racing, under-water diving, yacht racing or any race, trial or timed motor sport.
- b. Non-standard aviation. This includes any flying activity other than travelling as a passenger or as a member of cabin crew on a scheduled or chartered flight.

The Company may use the information supplied to update the Excluded Events on the Plan.

5.8 If a death claim is made as a result of any of the activities referred to in 5.7 where the Company has not been informed then the Minimum Death Benefit will be reduced to zero and the Policies then comprised in the Plan will no longer be Qualifying Policies.

5.9 Where the deaths of more than one Life Assured occur simultaneously, the death of the Life Assured named first on the Policy Schedule is deemed to take place before the other.

6. Reinvestment Option

6.1 Subject to the continued availability of the provisions of Paragraph 15 of Schedule 15 of the Income and Corporation Taxes Act 1988 as amended from time to time ("Paragraph 15"), at the time of exercising this reinvestment option, this reinvestment option may be granted at the discretion of the Company in respect of each Policy. The option, if granted, may be exercised at the Maturity Date, by notifying the Company up to thirty days prior to the Maturity Date, provided that:

- Premiums have been paid in full throughout the term of the Policy
- The policy owners remain the same as at the Commencement Date
- No alterations have taken place under the Policy that have resulted in it becoming a Non-Qualifying Policy.

6.2 Under this option, the total maturity proceeds of the Policy may be retained by the Company and invested in one or more new single premium whole of life assurance policies offered by the Company, or other such policies as the Company may offer for the purposes of this option from time to time, but only if such policies comply with the requirements of Paragraph 15.

6.3 Any policies effected under this option will be offered on the usual terms and conditions then offered by the Company for such policies, with the exceptions that:

- No additional premium may be paid into the new policies
- The Death Benefit under each new Policy will never be less than 100% of the premium paid into it
- Partial surrender of the new Policy will not be permitted.

7. The Personal Fund

7.1 If a situation outlined in 4.8 of the Core Policy Conditions occurs such that a transaction cannot take place then the Company will delay these transactions until they can take place. When these transactions are performed they will be deemed to take place on the day on which the original transaction would have taken place.

8. Supplementary Life Cover Charge

8.1 There will be an automatic Supplementary Life Cover Charge (described under 6.11 of the Core Policy Conditions) which will maintain the Minimum Death Benefit.

9. Withdrawals

9.1 In order to ensure that each Policy in the Plan will continue to be a Qualifying Policy, withdrawals described under 9 of the Core Policy Conditions will be restricted to cancellation of one or more Policies in the Plan.

9.2 If a situation outlined in 4.8 of the Core Policy Conditions occurs such that a withdrawal cannot take place then the Company will delay the withdrawal until it can take place. When this transaction is performed it will be deemed to take place on the day on which the original withdrawal would have taken place.

10. Qualifying Policy Restrictions

10.1 Notwithstanding anything in the Core Policy Conditions or the Asset Rules or these Conditions:

- a. the Policyholder(s) may not exercise any right or option under this Plan or any Policy if it would result in any Policy ceasing to be a Qualifying Policy; and
- b. the Company will not make any changes to the Policies, nor issue any endorsements, unless:
 - i. the changes have been approved by HMRC; and
 - ii. the Policies then comprised in the Plan will continue to be Qualifying Policies.