

1. The Policy

- 1.1 These Policy Conditions, together with the Policy Schedule and the Application Form, constitute the legal agreement (referred to in these Policy Conditions as the 'Policy') between the Policyholder and the Company. The Policy is issued on the basis that the details given in the Application Form and any other written statements made by or on behalf of the Policyholder in connection with the application for the Policy are true to the best of the knowledge and belief of the Policyholder.
- 1.2 Where the Policy invests in particular assets that are governed by Asset Rules published by the Company, those Asset Rules are incorporated in and will have effect as part of these Policy Conditions, on the basis that the Asset Rules will prevail over these Policy Conditions to the extent of any conflict between them.
- 1.3 The Policy is issued pursuant to the Scheme, on the basis that the Policyholder will become a member of the Scheme and be bound by the Scheme Rules. Any provision of the Policy which is not consistent with the Scheme Rules will not have effect to the extent of the inconsistency; and, where the Scheme Rules require that any act or thing should be done which is not expressly provided for in the Policy, then the Policy will be read as requiring that act or thing to be done in accordance with the Scheme Rules.

2. Term and duration

- 2.1 The Policy will begin on the Commencement Date shown on the Policy Schedule.
- 2.2 The Policy shall remain in force until the entire value of the Policy has been transferred out or applied to purchase an annuity or to pay death benefits or the value of the Policy reduces to zero.

3. Investments

- 3.1 The Amount Invested is the total amount payable at the commencement of the Policy to secure the benefits described within these Policy Conditions and must be paid on or before the Commencement Date.
- 3.2 Additional Investments may be paid from time to time while the Policy remains in force.
- 3.3 The Company may offer to accept an Additional Investment on different terms to those applied to the Initial Investment or previous Additional Investments, or refuse to accept an Additional Investment.

4. The Personal Fund

- 4.1 On the Commencement Date the Company will set up a separate internal sub-fund of the long term business fund of the Company (the 'Personal Fund') by reference to which the benefits payable under the Policy will be determined.
- 4.2 The Personal Fund may be invested in one or more of the assets permitted by the Company for that purpose. These assets may include unit allocations of other internal sub-funds of the Company.
- 4.3 Details of the assets that can be held in the Personal Fund and the charges and conditions that apply to each type of asset (the 'Asset Rules'), can be obtained from the Company at its Principal Office. The Company may alter, amend or add to the Asset Rules at any time, in accordance with their terms, subject to giving reasonable notice to affected Policyholders, where the change is, or may be, adverse to their interests.
- 4.4 The Company reserves the right at any time to permit the Personal Fund to invest in additional assets or types of asset or to cease permitting investment in a particular asset or type of asset. If the Company decides that it will no longer permit investment in an asset or type of asset it will give notice in writing to the affected Policyholder and propose a timetable and basis on which to realise affected assets and reinvest them in alternative assets. If the Company does not receive other satisfactory instructions from the Policyholder to change the asset holdings within the timescales detailed in such notification it will carry out the proposed actions.
- 4.5 If the value of an asset held on any particular Valuation Date is less than the Company's minimum requirement at that time, the Company may give notice to the Policyholder that the asset holding should be switched. If no instructions are received by the expiration of the notice the asset will automatically be switched to the asset specified in the notice on the Valuation Date immediately following the expiry of the notice.
- 4.6 The Personal Fund and each benefit due under the Policy will be valued periodically by the Company, using methods determined and published by the Company. Valuation Dates will vary by asset. The value determined by the Company is effective from and including a Valuation Date until but excluding the next following Valuation Date.
- 4.7 If an asset cannot be valued on any particular Valuation Date the Company will not be able to place a value on the Personal Fund. While this remains the case the Company will not be able to conduct any transaction that requires a value to be placed on the particular assets and reserves the right not to conduct any transactions that require a valuation to be placed on the Personal Fund.

5. Amount Allocated

- 5.1 The amount of each Initial or Additional Investment which is invested in the Personal Fund, after the deduction of any charges and after any agreed enhancement, is known as the Amount Allocated.
- 5.2 The Amount Allocated is applied to the Personal Fund and used to acquire assets in that Fund.
- 5.3 The date of allocation to the Personal Fund in respect of the Investment will follow the Company's published timescales which may vary for each asset selected.
- 5.4 Where possible, the Company will claim tax relief in respect of each Initial or Additional Investment and will apply the amount received to the Personal Fund in accordance with this condition 5. The Company may at its discretion advance the anticipated amount of tax relief to the Personal Fund and recover that amount when the tax relief is actually received.
- 5.5 The allocation and the investment of the Personal Fund into assets chosen by the Policyholder is made solely for the purposes of calculating the benefits secured by the Policy and the Policyholder has no legal or beneficial interest in the Personal Fund or its underlying investments.

6. Charges and deductions

- 6.1 The Company may from time to time deduct from the Personal Fund amounts it deems appropriate for liabilities and potential liabilities of that Fund including, but not limited to, investment costs, management, administration, sales expense (including commission payments), taxes, levies, duties and any costs or losses or adjustments associated with the early encashment of assets and additional services relevant to the Fund. The charging methods and levels that apply for any asset will be published by the Company from time to time.
- 6.2 The charges for certain types of asset are calculated by reference to the value of that asset held in the Personal Fund. These assets are called Explicitly Charged Assets. The charges that apply to them will be deducted from the Select Account as detailed in condition 7.
- 6.3 The charges for all other assets not covered by 6.2 will be taken into account when the Company calculates the value of the benefit linked to that asset. These assets are called Implicitly Charged Assets.

6.4 Subject to 11.3 the Company reserves the right to change the amount of these charges at any time by such reasonable amount it deems appropriate, subject in each case to giving not less than three months' prior written notice to each Policyholder with units allocated in the affected Fund(s).

6.5 In accordance with the Scheme Rules, the Company may also charge to the Personal Fund any amounts of tax or penalties chargeable on the Company as scheme administrator of the Scheme by reference to the Policy.

Asset Charge

- 6.6 There is an Asset Charge applicable to Explicitly Charged Assets, which will be specified by the Company.
- 6.7 The amount of the Asset Charge is calculated daily by the Company and calculated and deducted periodically from the Select Account.
- 6.8 Any unpaid Asset Charges will be paid to the Company prior to payment of the amount due on any transfer out or other application of the entire benefit of the Policy.

Tax Charge

- 6.9 If applicable, the Company will reflect any tax charges when calculating the benefits derived from a particular asset.

Fund Manager Charges

- 6.10 Any charges associated with parties other than the Company such as external fund manager charges, performance charges and the costs of buying and selling of assets, will be reflected directly when calculating the benefits derived from a particular asset.
- 6.11 If appropriate the Company may make a charge associated with the management of certain assets, in which case the charge will be reflected directly when calculating the benefits derived from that particular asset.

Adviser Charges

- 6.12 The Company may deduct agreed Adviser Remuneration in the following manner:
- Initial Adviser Remuneration may be deducted from the Initial Investment and be directly reflected in the Amount Allocated to the Policy
 - Ongoing Adviser Remuneration will form a separate charge for Explicitly Charged Assets, in which case it will be deducted in the same way as the Asset Charge and 6.7 will apply similarly to Ongoing Adviser Remuneration, or be reflected directly when calculating the benefits derived from Implicitly Charged Assets

- an Adviser Review Remuneration may be deducted from the Personal Fund by cancelling benefits of equal value in designated assets as specified by the Policyholder and agreed by the Company.

7. Select Account

- 7.1 The Select Account is a fund within the range of funds available for investment by the Policy.
- 7.2 Charges will be met by cancellation of units within the Select Account. If any Explicitly Charged Assets are held in the Personal Fund the Company will require the Policyholder to allocate an amount prescribed by the Company to the Select Account. The level of the amount allocated in this way will be reviewed by the Company periodically and where above or below the published levels it will be adjusted by cancelling or adding sufficient units to the Select Account with an equal and opposite transaction in another designated asset as specified by the Policyholder and agreed by the Company.
- 7.3 Where the Policyholder does not select a fund from which to cancel or add Units to the Select Account, then the Company shall select the largest fund holding within the Policy.

8. Death Benefit

- 8.1 In the event of the death of the Policyholder a Death Benefit will be payable equal to the value of the Policy at the time of notification of the death to the Company in accordance with condition 8.2, as determined by the Company in accordance with condition 4.
- 8.2 Payment of the death benefit will only be made by the Company upon delivery to its Principal Office of the Policy Schedule and these Policy Conditions together with proof that is satisfactory to the Company of:
- The death of the Policyholder
 - The age of the Policyholder
 - The title of the claimant
 - Any other documents or information that the Company may reasonably require.

Any costs incurred in meeting these conditions shall be borne by the Policy.

- 8.3 The payment of the Death Benefit will result in the termination of the Policy and all benefits under it.

9. Withdrawals

- 9.1 Where permitted under the Scheme Rules and subject to condition 9.3, the Policyholder may at any time request that the Company dispose of some of the assets held within the Personal Fund in order to provide for the withdrawal of a single sum for transfer to another pension scheme or application to provide pension benefits. In this event the Company will dispose of assets nominated in the request in accordance with its published timescales and the cash value of such assets, less any applicable charges and penalties, will be paid to the appropriate recipient once the proceeds from the disposal of the assets have been received. The value of the Personal Fund will be reduced by the amount paid to the recipient and the amount of any applicable charges and penalties.
- 9.2 Where the request requires more than one asset to be disposed of and the proceeds from the disposals are not all received on the same day, the Company will normally make the withdrawal payment when all the proceeds have been received. However the Company, at its discretion, may pay part of the total withdrawal prior to receipt of the total proceeds of the disposals.
- 9.3 Where permitted under the Scheme Rules, the Policyholder may request a withdrawal at any time, by written application to the Company at its Principal Office in a form that it specifies, subject to the following conditions:
- Any amount withdrawn must exceed the minimum withdrawal amount as specified by the Company from time to time and published in its literature.
 - The amount remaining allocated to benefits after a withdrawal must exceed the minimum amount remaining as specified by the Company from time to time.
 - Regular withdrawals may be requested by the Policyholder (in the Application Form or subsequently) to provide withdrawals on regular payment dates.
 - The amount withdrawn will be calculated so that benefits allocated to the Policy to the value of the amount of the withdrawal will be cancelled in respect of each withdrawal and subject to any withdrawal charges, if applicable.
 - The timescale for the disposal of assets will be published by the Company and may vary between different assets allocated to the Personal Fund.
 - A withdrawal resulting in the cancellation of all benefits allocated to the Policy shall result in the termination of the Policy.
 - If a withdrawal results in the remaining value of the Policy being less than the Company's minimum, the Company may cancel the Policy and all benefits under it.
 - The Company reserves the right to defer a request to withdraw where in the reasonable opinion of the Company such a withdrawal would be detrimental to other policyholders of the Company.

9.4 The Company will not transact a withdrawal if it is unable to sell any of the assets relevant to that withdrawal.

10. Changes to Investments (Switches)

10.1 For the purpose of the Policy Conditions the term 'switch' refers to cancelling some or all of the benefits allocated to the Policy and allocating different benefits to the same value.

10.2 The Policyholder may upon written application to the Company at its Principal Office in the form that it specifies for that purpose, request that the Company switches some or all of the benefits allocated to the Policy between any of the funds that the Company makes available for this purpose, subject to the following conditions:

- Benefits to the value of the amount to be switched between assets will be cancelled in the Fund(s) from which the switch is to be made.
- Benefits to the same value less any charge levied will be allocated to the assets into which the switch is to be made.
- Before allocating the amount to be applied to the assets required to be switched into, the Company may deduct a charge to be specified from time to time and published in its literature.
- The assets from which a switch is made may have a different charging structure from the assets to which the switch is made.
- Switches are subject to units of a minimum amount (as set out in the Company's literature from time to time) remaining allocated in any assets in which the benefits remain allocated.
- The timescale for the disposal of assets and purchase of new assets within the Personal Fund will be published by the Company and may vary between different assets allocated to the Personal Fund.
- The Company reserves the right to charge for, defer or decline a request to switch where in the reasonable opinion of the Company the switch is unreasonable, is outside the published guidelines on switching, or would be detrimental to other policyholders of the Company.

11. Legislation

11.1 The Policy shall be governed by and interpreted in accordance with English Law.

11.2 Should jurisdictions other than that of England attempt to assert any right over the Policy, the Policy may be terminated at the discretion of the Company.

11.3 Where the Company has the right to vary, alter or amend any provisions of the Policy, it will only do so after giving affected, or potentially affected, policyholders at least thirty days notice and then only for any of the following reasons:

- where the Company considers it will make the provisions easier to understand or fairer to the Policyholder
- to allow the Company to administer the Policy more effectively or at less cost
- to reflect any changes in the cost of continuing to administer the Policy
- to reflect market conditions or pensions practice
- because of changes in the way the Company administers its Policies
- to take account of a decision by a court, ombudsman, regulator or similar body
- because of changes to the law, codes of practice or the way in which the Company is regulated
- to reflect any changes to the Company's tax position
- because of changes in technology.

12. Endorsements

12.1 Where any change is made to the terms of the Policy in accordance with any of these Policy Conditions the Company will note the change in its records but will not necessarily issue an endorsement unless the Company considers it appropriate to do so.

13. Assignments and Notices

13.1 All notices and other written communications to the Company under or in connection with the Policy must be given in writing to the Company at its Principal Office.

13.2 Except as permitted under the Scheme Rules, neither the Policy nor any right, benefit or interest under it may be assigned, surrendered or commuted by the Policyholder.

14. Residence

14.1 In accordance with US Federal Income Tax regulations, it is a condition of availability of the Policy (referred to in this section as the 'US Persons Condition') that none of the following persons:

the Policyholder and any other beneficiary of or party to the Policy

may be or become a US Person while the Policy remains in force. For this purpose a US Person means a citizen or resident of the US, a US partnership or corporation or any trust which is controlled by one or more US Persons and is subject to the supervision of a US court.

14.2 In the Application Form, the Policyholder confirms that the US Persons Condition is satisfied at the time of application for the Policy. If the US Person Condition ceases to be satisfied at any time when the Policy is in force, then the Policyholder (or the Policyholder's successor in title) is required to inform the Company in writing at its Principal Office accordingly without delay.

14.3 If the US Persons Condition is not satisfied for any reason, the Company may;

- a. cancel the Policy by notice in writing to the Policyholder; and/or
- b. deduct an appropriate amount from the Personal Fund if the Policy is subject to, or is likely to become subject to, any tax or other levy or penalty of any kind as a result of the Policy failing to satisfy the US Persons Condition.

14.4 This Policy is only available in the United Kingdom. It is not transferable to or available in any other country in which the Company transacts business, except with the express agreement of the Company.

15. Claims, Currency and Overpayment

15.1 The Company reserves the right to withhold payment of any sort relating to the Policy unless and until it has received all reasonable information and documentation that it reasonably requires in order to be satisfied that the claimant is the person entitled to receive benefits payable under the Policy and that all relevant requirements under the Policy have been complied with.

15.2 The Policyholder must take reasonable care to ensure that all material information given in the Application Form or otherwise provided in writing as part of the application process by (or on behalf of) the Policyholder is correct at the time it is provided to the Company. Failure to do so may result in a reduction in the benefits payable under the Policy and / or cancellation of the Policy.

15.3 Current information concerning the terms and conditions of the Policy and other relevant requirements of the Company is available to the Policyholder on request at any time.

15.4 All payments and benefits under or in connection with the Policy will be denominated in Sterling unless the Company agrees otherwise.

16. Separate Account Protection

16.1 The Company may reinsure the Policy with another Alico Company that operates a separate account for its UK business. In order to gain the full benefit of US legislation protecting the separate account, the following clause applies to the Policy: 'the portion of the assets of the separate account equal to the reserves and other contractual liabilities for the separate account is not chargeable with the liabilities arising out of any other business of the Company'.

17. Definitions and Interpretations

17.1 For the purpose of these Policy Conditions and any other associated documents, the following definitions may apply:

Additional Investment

A payment into the Policy after the Initial Investment

Adviser Charges

Charges agreed between the Policyholder and their appointed adviser

Adviser Review Remuneration

An amount agreed between the Policyholder and their appointed adviser as a charge payable when the Policy is reviewed

Amount Allocated

The amount of each Initial and/or Additional Investment which is invested in the Personal Fund after the deduction of any charges, and after any agreed enhancement

Amount Invested

The amount invested to establish the Policy

Application Form

An application form specified by the Company for the Policy

Asset Charge

A charge levied by the Company which is calculated for each asset as a percentage of the value of that asset held within the Personal Fund

Retirement Plan Policy Conditions



Asset Rules

Rules governing the use of an asset within the Personal Fund

Commencement Date

The commencement date shown in the Policy Schedule

Company

American Life Insurance Company or its successors

Death Benefit

The amount that will be paid in the event of the death of the Policyholder

Explicitly Charged Assets

Assets within the Personal Fund where the charges relevant to the asset are calculated by reference to the value of the Personal Fund holding in that asset. These may also be referred to in marketing materials as 'Market Funds'

Implicitly Charged Assets

Assets within the Personal Fund where there are no explicit charges as all the relevant charges are taken into account when the benefit linked to the asset is calculated by the Company. These may also be referred to in marketing material as 'Defined Return Investments'

Initial Investment

The amount invested to establish the Policy. This may also be referred to in marketing materials as 'Amount Invested'

Maturity Date

The day on which the Plan will terminate if it is still in force

Ongoing Adviser Remuneration

An amount agreed between the Policyholder and their appointed adviser, which is calculated for each asset as a percentage of the value of that asset held within the Personal Fund and forms part of the Asset Charge

Personal Fund

A separate internal sub-fund of the long term business fund of the Company by reference to which the benefits payable under the Policy will be determined

Policy

The contract of insurance constituted by the Application Form, these Policy Conditions and the Policy Schedule

Policy Conditions

The core policy conditions set out in this document as amended from time to time by the Company

Policy Schedule

The schedule issued by the Company to the Policyholder to confirm the terms on which the Policy is granted, as amended from time to time

Policyholder(s)

the person shown as such in the Policy Schedule who have legal title to the Plan and Policy in it. The Policyholder may be referred to as 'you' in the marketing material

Principal Office

22 Addiscombe Road, Croydon, England CR9 5AZ

Scheme

the American Life Premier Personal Pension Plan No 2 Scheme established on 1 July 1999

Scheme Rules

the trust deed and rules of the Scheme as amended from time to time

Valuation Date

The date on which a benefit is valued.