

DETAILS OF YOUR **EXECUTIVE WEALTHBUILDER ACCOUNT**

ACCOUNT TERMS (REF EWR2)

NOT FOR USE IN THE UK, HONG KONG OR SINGAPORE



OLDMUTUAL
INTERNATIONAL

i This document was last reviewed in **April 2013**. 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 EXECUTIVE WEALTHBUILDER ACCOUNT (REF EWR2)

PART A – PRELIMINARY CONDITIONS

1. THE CONTRACT

- 1.1 The Executive Wealthbuilder Account is a unitlinked capital redemption contract. It provides a Maturity Value on the Maturity Date and may be encashed earlier.
- 1.2 This document called the '**Terms**' contains full details of the contract. It spells out the commitments and rights of both of us as the parties to the contract in this and the following numbered sections (each called a **Term**).
- 1.3 The Terms applicable to your contract are:
- 1.3.1 Part a) preliminary conditions; and
 - 1.3.2 Part b) special conditions applying to capital redemption accounts; and
 - 1.3.3 Part c) general conditions applicable to all Accounts; and
 - 1.3.4 Part d) general fund conditions
- 1.4 Your Account is issued in the form of a series of 10 accounts, known as a '**Cluster of Accounts**', of equal value (subject to any rounding adjustments). These Terms apply equally to each of the accounts. For our administrative convenience we may stipulate that all the accounts are dealt with in the same way for some transactions.
- 1.5 No Term can be varied or waived in any way unless we evidence it by an endorsement or written communication signed by one of our authorised officials. The fact that we may by mistake or deliberately have waived enforcement of a Term on an occasion, does not constitute a waiver of our respective rights and obligations at any future time.

2. DICTIONARY

Some words used in the Terms have a special meaning. To help you, those which are used frequently throughout these Terms are explained here in Term 2 and we have shown them in bold type. Other words which are used less are explained where they first appear or are most relevant, again shown in bold type. Any defined words (other than personal pronouns) are shown with the first letter capitalised.

- 2.1 **We, us** and **our** means Old Mutual International Isle of Man Limited. **You, your** and the **Accountholder** means the other party to this agreement either at the Account Start Date or on becoming the Accountholder in the future by assignment or as the legal representative to the estate of the Accountholder on death.
- 2.2 **Account**
The Account issued to you following our acceptance of your application for your Executive Wealthbuilder Account at our Head Office.
-
- Account Anniversary**
Any anniversary of the Account Start Date.
-
- Account Currency**
The currency shown in the Schedule in which the Contribution and the benefits are payable.
-
- Account Start Date**
The nominal date shown in the Schedule.
-
- Account Year**
A year starting on the Account Start Date or any Account Anniversary.
-
- Actuary**
Our officer who has legal responsibilities concerning our sound and prudent financial management. He also has a professional duty to consider the interests of all our accountholders.
-
- Allocated Units**
The notional Units in each Selected Fund applicable to your Account, as explained in Term 6. They are allocated either when you pay a Contribution, or on changing your Selected Funds.
-
- Allocation Percentage**
The percentage of the Contribution used to calculate the number of Units allocated to your Account each time you pay a Contribution.
-
- Contribution**
The amount of any Contribution you pay to your Account. At the Making of Assurance Date you must have paid either a **Lump Sum Contribution** for your Account or the first of a series of **Regular Contributions**.
-
- Contribution Due Date**
The Account Start Date and any later date on which a Regular Contribution falls due for payment.
-
- Encashment Value**
The value of Allocated Units at their Bid Price.
-
- Fund**
A separate identifiable account forming part of our long-term business fund as required by Isle of Man legislation and kept by us for calculating benefits under your Account as described in Term 6. We keep several Funds and we call those Funds you choose to link to your Account your '**Selected Funds**' as explained in Term 6.
-

Head office

Our office in the Isle of Man.

Making of Assurance Date

The date the Account started, and which we confirm in our letter accepting your application.

Maturity Date

The date your Account will end. This date is shown in the Schedule.

Maturity Value

The amount you will receive on the Maturity Date, as explained in Term 10.

Schedule

The Schedule issued for your Account. It shows the Account number and the personal particulars relating to the Account.

Transaction Date

This is the date detailed in Term 16 and elsewhere in these Terms. It is the date which determines the Valuation Point at which Units are allocated when you pay a Contribution; and at which Units are cancelled to pay for benefits.

Unit

A notional share in the investments of the Fund as explained in Term 6. Units in a Fund normally have two prices. An '**Offer Price**' being the price used to allocate units on payment of a Contribution (also known as the buying price), and a '**Bid Price**' used to calculate benefits under the Account (also known as the selling price).

Working Day

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 feminine gender includes all genders.

3. YOUR COMMITMENTS AND WHEN THE ACCOUNT STARTS

- 3.1 You agree to pay us either:
- 3.1.1 a Lump Sum Contribution, or
 - 3.1.2 Regular Contributions from the Making of Assurance Date until the last Contribution Due Date before the Maturity Date.
- 3.2 The Account provides for payment of a Maturity Value on the Maturity Date.
- 3.3 All Regular Contributions can be paid monthly, quarterly, half-yearly and annually by cheque, credit card, standing order and telegraphic transfer.
- 3.3.1 Where you pay by credit card or telegraphic transfer, you must ensure that the remitting bank is instructed to provide sufficient details to enable us to identify the source of the funds and relevant Accountholder details to apply the Contribution to the Account and satisfy our regulatory obligations.
 - 3.3.2 All charges imposed by any bank or credit card company associated with transmission of Contributions to us are payable by you so that we must receive a net amount equal to the Regular Contribution due.
 - (a) If the net amount we receive is less than the total Regular Contribution due then the Regular Contribution will not be treated as paid. It will be held in our non-interest bearing suspense account to your credit until you pay us the balance outstanding and no Units will be allocated. We will write to tell you of this and the provisions of Term 5.2 will apply. If you have not paid us the balance then we will refund the payment to you no later than 90 days from the date the payment was received by us.
 - (b) If we receive further net amounts which are less than the Regular Contribution then we will treat a part of it as payment of the outstanding Regular Contribution balance and the remainder of the amount will be held in our non interest bearing suspense account as stated above. In this event, then the provisions of Term 5.2 will apply and the Account will become a paid-up Account or terminate without value, if the Account value is zero.
 - 3.3.3 We reserve the right to add additional means of payment or to stop using the means of payment at anytime for administrative or regulatory reasons.
 - 3.3.4 You may change your chosen means of payment to any other permitted for your Contribution from any Contribution Due Date. You may also change your chosen Contribution frequency, but only at an Account Anniversary.
- 3.4 We will consider your application together with any other information we need. If we accept your application and we have received the Contribution and all other required information or items from you then the contract will start on the date we make that acceptance at our Head Office.
- 3.5 We may need further information or items from you (for example proof of identity or payment of the Contribution). If this is received within the time limit stipulated and satisfies our reasonable requirements (which include having sufficient information to identify any Contribution payment) then the contract will start:
- 3.5.1 On the Working Day that we receive the last item of information or items to our reasonable satisfaction at our Head Office in accordance with Term 14.1.4; or
 - 3.5.2 On the Working Day after the Working Day that we know the Contribution (if that is the last requirement) has been credited to our bank account provided there is sufficient supporting information to identify the payment.
- 3.6 The Making of Assurance Date will be the date of our letter accepting your application. The Account will have no value and no benefit will be payable until the Making of Assurance Date.

4. CHANGING YOUR COMMITMENTS

- 4.1 You may offer to pay additional Contributions to your Account subject to our minimum Contribution requirements at the time for an Account or Cluster of Accounts and the methods of Contribution payment we allow at the time. These payments may take the form of either:
- 4.1.1 Lump Sum Contributions at anytime before the Maturity Date; or
 - 4.1.2 An increase to the amount of your Regular Contribution commencing from the first Contribution Due Date following our accepting your request.
 - 4.1.3 If we accept your offer then we will advise you in writing.
- 4.2 Reducing your Regular Contributions
- 4.2.1 You may reduce the amount of any Regular Contributions, at any time, provided the reduced Regular Contribution is not less than our minimum required Regular Contribution amount at that time.

5. NOT MEETING YOUR COMMITMENTS

- 5.1 Stopping Regular Contributions
- 5.1.1 If you stop paying your Regular Contributions then your Account will become a paid-up Account.
 - 5.1.2 You should be aware that cancelling your Regular Contributions does not cancel your Account. The Account will continue until the Account comes to an end on the Maturity Date; or total encashment of the Account; or if the value of the Account falls to zero.
- 5.2 Missing Regular Contributions
- 5.2.1 If you miss your Regular Contribution then we will give you the opportunity to pay the outstanding amount within three months of the Contribution Due Date of the first unpaid Contribution.
 - 5.2.2 If you pay the outstanding Regular Contribution before the end of the three month period then your Account will continue.
 - 5.2.2 If you do not pay the outstanding Regular Contribution before the end of the three month period then your Account will become a paid-up Account unless you have previously paid a Lump Sum Contribution.
- 5.3 Restarting Contributions
- 5.3.1 You may offer to reinstate your Account by restarting your Regular Contributions within thirteen months of the Contribution Due Date of the first unpaid Contribution. These will be applied as Regular Contributions on the Working Day following the date the payment is credited to our bank account.
 - 5.3.2 We reserve the right to change the time limit for repaying Regular Contributions as described in Term 5.3.1 subject to our having given you prior written notice.

6. FUNDS, UNITS AND OWNERSHIP

- 6.1 A Fund represents a group of investments owned by us and is divided into Units representing shares in the investments of that Fund. All Units in a Fund are of equal value. We reserve the right to consolidate or subdivide Units if we consider it appropriate. You legally and beneficially own the Account. Units are purely notional and Accountholders have no legal or beneficial interest in the Units or the Fund or any underlying assets which remain our property. You accept the investment risk, as explained in Term 7.
- 6.2 The accounts that we offer are unit-linked. We allocate the Contributions for your Account to Units and we use them to calculate the value of the benefits available to you.
- 6.3 We may keep, create and close Funds at our sole discretion. Terms 28 to 30 contain further information on how a Fund works, closure, merger and any other termination of a Fund.

7. INVESTMENT RISKS AND RESPONSIBILITIES

- 7.1 You accept the investment risk.
- 7.1.1 We accept no responsibility for the investment performance of a Fund. The value of Units can fall as well as rise and they, including cash holdings could, in exceptional circumstances, become valueless; either temporarily because of suspension of a Fund, or permanently. You accept these risks by taking out this Account.
 - 7.1.2 You and your Fund Adviser as described in Term 9.2.1 decide which Funds are most appropriate to your needs based on your investment objectives and risk profile at any time. We do not give investment advice.
 - 7.1.3 The fact that we may allow a particular Fund to be available to link to your Account does not indicate any judgement by us about its investment potential.
 - 7.1.4 There are no investment guarantees associated with the Funds which are available to link to your Account. In particular, there is no guarantee of return of capital so you may receive back less than you have paid. However, we may from time to time provide funds which offer a guaranteed return at some future date.

8. ALLOCATING YOUR CONTRIBUTIONS TO UNITS

- 8.1 The Allocation Percentage will be 100% of each Contribution. We may from time to time offer a higher Allocation Percentage on such terms and for such time as we consider appropriate.
- 8.2 Each time you pay a Contribution we multiply it by the Allocation Percentage to calculate the amount to be used to purchase Units.
- 8.3 We then apply that amount to your Selected Fund dividing it by the Offer Price of Units in the Fund to arrive at the number of Units to be allocated. If you have more than one Selected Fund then these calculations (subject to any rounding adjustments) will be made for each Fund. These calculations will normally be made on the Transaction Date explained in Term 16.

9. CHOOSING FUNDS AND FUND SWITCHES

9.1 Making your first Fund choice

- 9.1.1 You can request in your application (or other communication acceptable to us) the Funds you have chosen and how much of your Contribution is to be allocated to each one. This is expressed as a whole percentage of the amount of the Contribution for each Fund. Your first choice of Funds is limited to a maximum of ten Funds.
- 9.1.2 On the Making of Assurance Date we must allocate all relevant amounts to Units in Funds as we are not permitted to hold cash in respect of an Account.
- 9.1.3 The Funds will be allocated proportionately to each Account (subject to any rounding adjustment).
- 9.1.4 If we are unable to allocate Units to any of your chosen Funds, then the OMI IM Deposit Fund in the Account Currency will be deemed to be your Selected Fund. This may happen for example, if your instruction is illegible, ambiguous, conflicting or unclear in any way to us; or the Fund selected does not exist; or if a situation such as referred to in Term 18 applies.
- 9.1.5 We reserve the right to use a similar deposit type fund in the future.
- 9.1.6 Any request at a later date to change from the OMI IM Deposit Fund must be made in accordance with the Fund Switch requirements of Term 9.3. and 9.7.
- 9.1.7 If your Selected Fund is valued less frequently than daily then the last available Bid Price for that Selected Fund will be used to allocate Units.

9.2 Appointment of a Fund Adviser

9.2.1 Dictionary

'Fund Adviser' means a person or firm which acting as your agent provides investment advice to you or is able to act on your behalf under a discretionary mandate and give investment instructions to us and which satisfies the requirements of Term 9.2.3. Where a Fund Adviser is referred to elsewhere in these Terms it is only applicable if a Fund Adviser has been appointed by you.

- 9.2.2 If you wish to appoint a Fund Adviser then terms of business will normally need to be agreed between you and the Fund Adviser. Any fees for such services are personal to you and cannot be charged against the Account. You may request payment of such fees by partial encashment from your Account including by regular withdrawals. If you have granted the Fund Adviser a discretionary mandate then it is on the express understanding that you retain full responsibility for the acts or omissions of the Fund Adviser.
- 9.2.3 We may require the Fund Adviser to confirm they are regulated by any appropriate regulatory authority and have any qualifications required by law or regulation for the activity to be carried out. If we require such confirmation it is to enable us to comply with our regulatory duties as an authorised insurer in the Isle of Man. It is not and should not be construed as any endorsement of any Fund Adviser by us, and we do not warrant your Fund Adviser's suitability or regulatory credentials. It is your responsibility to satisfy yourself of your Fund Adviser's suitability before appointing them. You may need to complete documentation which delegates your powers to the Fund Adviser.
- 9.2.4 We will act exclusively on a discretionary mandate once granted until we are advised by you in writing at our Head Office of its termination. Termination will not affect any transactions already carried out.
- 9.2.5 If we become aware that a Fund Adviser:
- has been refused membership by, or has been expelled from, a professional organisation; or
 - is under investigation by, or has been the subject of disciplinary action by a regulatory authority; or
 - has or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
 - ceases to hold the necessary authorisation due to a change of law or regulation;
- then we reserve the right to cease to act on the instructions of the Fund Adviser with immediate effect and will advise you of that fact. We will then only act on your instructions.
- 9.2.6 In the event of your death any appointment of a Fund Adviser will automatically terminate.

- 9.3. Changing your Fund choice
- 9.3.1 Dictionary
- 'Market Timing'** means a 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 Accountholder or Fund Adviser seeks to exploit a fund whose price does not take account of the most recently available data, and where the Accountholder or Fund Adviser make use of a short term trading strategy to take advantage of anticipated future market movements.
- 9.3.2 For this Term 9.3 and 9.7 only, instructions by facsimile transmissions are permitted. Transmissions by you or your Fund Adviser of a facsimile will not be proof of receipt by us, irrespective of any transmission confirmation at the sender's location. You should be aware that we can accept no responsibility for the effects of any delay or failure to carry out instructions in such circumstances unless you ask us to acknowledge receipt then there can be no guarantee that this has been received and actioned by us.
- 9.3.3 You or your Fund Adviser may change your Selected Funds (**'Fund Switch'**) at any time provided your instruction is in accordance with our reasonable requirements at the time. These requirements may include a minimum value of Units to be switched.
- 9.3.4 We may impose a limit on the number of Funds chosen and the percentage of the Contribution allocated to a Fund or the percentage of the Units in your Selected Funds to be switched to meet our administrative and any legal or regulatory requirements.
- 9.3.5 We reserve the right to impose a Fund Switch charge if our Actuary advises it is reasonable considering the administration costs involved. We will inform you of any such charge before it is first imposed and it will be deducted from the value of the Units being cancelled for the Fund Switch.
- 9.4 We will calculate the value at the Bid Price of the Allocated Units in the Selected Funds you wish to move from.
- 9.4.1 If your Selected Fund is valued less frequently than daily then the last available Bid Price for that Selected Fund will be used to carry out the Fund Switch.
- 9.4.2 We will then apply that value to your new Selected Funds by dividing it by the Bid Price of Units in that Fund to arrive at the number of Units to be allocated to your new Selected Fund. If you have more than one new Selected Fund then these calculations (subject to any rounding adjustment) will be made for each new Selected Fund.
- 9.5 These calculations will normally be on the Working Day following the Working Day on which we receive your Fund Switch request at our Head Office. This is also the Transaction Date shown in Term 16.5.
- 9.6 If all or any part of the instruction is illegible or otherwise incapable of being given effect to then we will use our best endeavours to advise you of that. We can accept no responsibility for the effects of any delay or failure to carry out all or part of a Fund Switch request in such circumstances.
- 9.7 Changing your Fund choice for Regular Contributions
- 9.7.1 You or your Fund Adviser may elect at any time to change your choice of Selected Funds so that the Allocation Percentage for future Regular Contributions will be applied to another Selected Fund or Funds or to alter the Allocation Percentage for future Regular Contributions to your existing Selected Funds (**'Redirection'**). Any such instruction must be capable of being actioned in accordance with our reasonable requirements at the time (which may include a minimum value of Units or percentage to be allocated to a Fund and a minimum period of time before a Redirection can take effect).
- 9.7.2 We may impose a limit on the number of Funds chosen and the percentage of the Contribution allocated to a Fund to meet our administrative and any legal or regulatory requirements.
- 9.8 If we agree to accept a further Lump Sum Contribution then you may give us a similar Redirection otherwise the Contribution will be allocated to your existing choice of Selected Funds.
- 9.9 You or your Fund Adviser may provide us with combined Fund Switch and Redirection instructions under Terms 9.3, 9.7 and 9.8.
- 9.10 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.
- 9.11 In the interests of accountholders generally with Units in the Fund we reserve the right to defer or decline a request, employ fair value pricing or adjust the fund pricing basis on a Fund or individual transaction. This would apply where under Regulatory guidelines or best market practice we reasonably consider any activity to constitute Market Timing. We accept no responsibility for any economic or other loss suffered by our exercising such right in good faith.
- 9.12 Similar rights will be reserved by the managers of underlying funds. They may also impose an appropriate levy or charge which will be passed on by us to relevant accountholders within the price of Units allocated or cancelled.
- 9.13 We reserve the right to defer a Fund Switch because of a situation such as referred to in Term 18. Any Fund Switch or Redirection instruction which includes a Fund to which Term 18.2 applies will not be carried out. We will require revised instructions from you or your Fund Adviser.

PART B – SPECIAL CONDITIONS APPLYING TO CAPITAL REDEMPTION ACCOUNTS

10. MATURITY OF YOUR ACCOUNT

10.1 Maturity value

The Maturity Value will become payable on the Maturity Date provided the Account has not been totally encashed.

10.2 The Maturity Value will be the higher of:

10.2.1 £100, or the Account Currency equivalent ('**Guaranteed Maturity Value**'); or

10.2.2 the value of the Allocated Units at their Bid Price on the Maturity Date.

10.3 Where Term 10.2.2 applies the Maturity Value is calculated on the Maturity Date. This is also the Transaction Date shown in Term 16.3.1

10.3.1 Where the provisions of Term 10.8 apply to all or some of the funds then the calculation of all or part of the Maturity Value will be deferred in accordance with the provision of that Term.

10.3.2 We will then cancel the Allocated Units. If your Selected Fund is valued less frequently than daily then the last available Bid Price for that Selected Fund will be used to calculate the Maturity Value.

10.4 Proof of title

10.4.1 We will pay the Maturity Value following receipt of our reasonable requirements including proof of the title of the Accountholder to the Account. These requirements may also include a return of the Schedule and a maturity discharge form.

10.4.2 Any expenses incurred in providing us with the proofs needed by Term 10.4.1, including any translating documents or notaries or other fees, are payable by you.

10.5 We will only pay interest on the Maturity Value using any difference between the Bid Price of Units in the OMI IM Deposit Fund in the Account Currency on:

10.5.1 the Working Day before the Maturity Date; and

10.5.2 the Working Day on which we agree to make payment and calculate the benefit in order to make payment.

10.6 We reserve the right to use a different deposit type Fund.

10.7 We reserve the right to defer payment of the Maturity Value because of a situation such as referred to in Term 18.

10.8 What happens if Units in a Fund cannot be cancelled?

10.8.1 It may not be possible to cancel Units in a Fund or Funds because of a situation such as referred to in Term 18.2 happening. In that case, where the value of the Allocated Units at their Bid Price exceeds the Guaranteed Maturity Value, you should be aware that any amount in excess of the Guaranteed Maturity Value, may be made in one or more instalments.

(a) The first instalment will be for the value of the Allocated Units at their Bid Price, in each of the Fund or Funds which Units can be cancelled as though they were the only Fund or Funds for the purposes of Term 10.2.2.

(b) We will pay a further instalment or instalments when Units in the remaining Fund or Funds can be cancelled.

10.8.2 If it is not possible to cancel Units from the Fund or any of the Funds to which the Account is linked, the payment of any amount in excess of the Guaranteed Maturity Value will be deferred until such time as we are able to make payment of either the whole remaining benefit, or the first instalment as described in Term 10.8.1(a) above.

10.8.3 We will not pay interest because of a delay in paying the Maturity Value in whole or in part for these reasons.

10.9 No further benefits will be payable under the Account.

PART C – GENERAL CONDITIONS APPLICABLE TO ALL ACCOUNTS

11. GETTING MONEY OUT OF YOUR ACCOUNT EARLY

11.1 Total encashment

- 11.1.1 You can totally encash your Account and receive the Encashment Value. The value will normally be calculated on the Working Day following the Working Day on which we receive your encashment request at our Head Office. This is the Transaction Date shown in Term 16.3.2.
- 11.1.2 We reserve the right to defer or decline any request for surrender because of a situation such as referred to in Term 18 happening.
- 11.1.3 To ensure that transactions and Accounts remain economically viable where you have more than one Account, we stipulate a minimum value of an Account or Cluster of Accounts. If a request to encash an Account would result in the value of the remaining Cluster of Accounts being less than the current published minimum value at the time to maintain an Account or Cluster of Accounts, then:
 - (a) we reserve the right to automatically encash the remaining Accounts in the Cluster of Accounts, unless you offer to pay an additional Lump Sum Contribution, or increase your Regular Contributions (if any), subject to our acceptance, as explained in Term 4.1.
- 11.1.4 On total encashment all Allocated Units are cancelled and the Account will end and no further benefits will be payable.

11.2 Partial encashment of the Account

- 11.2.1 Any partial encashment will be made by cancelling Units in each of your Accounts. This means that all the Accounts will remain of the same value (subject to any rounding adjustments) and with the same Selected Funds.
- 11.2.2 To ensure that transactions and Accounts remain economically viable, we stipulate a minimum amount for a partial encashment and minimum remaining value of an Account or Cluster of Accounts. We would not carry out a request which would breach these amounts. We publish these amounts, which may vary from time to time.
 - (a) If your request for partial encashment is less than the minimum amount we stipulate for partial encashment, we will decline your request.
 - (b) If after the partial encashment, the Encashment Value is less than our current published minimum value at the time to maintain an Account or Cluster of Accounts, then we reserve the right to automatically encash your Account or Cluster of Accounts, unless you offer to pay us an additional Lump Sum Contribution, or increase your Regular Contributions (if any), subject to our acceptance as explained in Term 4.1.
- 11.2.3 You may request an encashment of some of the Allocated Units and receive a proportion of the Encashment Value. The value will normally be calculated the Working Day following the Working Day on which we receive your encashment request at our Head Office. This is the Transaction Date shown in Term 16.3.2.
- 11.2.4 Where the Account is linked to two or more Selected Funds, then Units will be cancelled from each Fund. This will be in the proportion that the value of Allocated Units in each Fund bears to the total value of the Allocated Units at their Bid Price.
- 11.2.5 You may also request that such partial encashments be made on a regular basis called '**Regular Withdrawals**' providing there are Allocated Units available. The Transaction Date is shown in Term 16.3.3.
- 11.2.6 Currently Regular Withdrawals may be made on a yearly, half yearly, quarterly or monthly basis, subject to our minimum withdrawal limit and any minimum Contribution amount at that time. We reserve the right to amend the frequency available to meet administrative requirements at the time.
- 11.2.7 We reserve the right to cancel or defer any request for a partial encashment because of a situation such as referred to in Term 18 happening.

11.3 What happens if Units in a Fund cannot be cancelled?

- 11.3.1 If it is not possible to cancel Units in a Fund or Funds because of a situation such as referred to in Term 18.2 then:
 - (a) If you requested a partial encashment we will cancel Units from each remaining Fund or Funds, as though they were the only Fund or Funds for the purposes of Term 11.2 providing they are of sufficient value to meet your requested payment.
 - (b) If it is not possible to cancel Units from the Fund or any of the Funds to which your Account is linked then your request will not be actioned.
 - (c) If you requested Regular Withdrawals, we will cancel Units from each remaining Fund or Funds, as though they were the only Fund or Funds for the purposes of Term 11.2 providing they are of sufficient value to meet your requested payment.
 - (d) If it is not possible to cancel Units from the Fund or any of the Funds to which your Account is linked then Regular Withdrawals will be cancelled and will only be reinstated on receipt of further written instructions from you.

11.4 Any request for an encashment is subject to our reasonable requirements including proof of the entitlement of the Accountholder to the Account. These requirements may also include return of the Schedule and an encashment discharge form.

11.5 If at any time the Encashment Value of your Account or Cluster of Accounts falls below our minimum published value for an Account or Cluster of Accounts we reserve the right to automatically encash your Account or Cluster of Accounts unless you offer to pay an additional Lump Sum Contribution or increase your Regular Contributions (if any), subject to our acceptance as explained in Term 4.1.

12. FUND CHARGES

12.1 Annual Management Charge

- 12.1.1 The Annual Management Charge is a charge relating to the value of a Fund. As explained in Term 28.6, a proportion of the charge is deducted when we value the Fund before calculation of the Unit prices. The amount of the charge is currently 1% of the value of the Fund a year.
- 12.1.2 Our Actuary may advise us to alter the amount of the charge:
 - (a) if there is any legislative change to the basis of taxation affecting life assurance companies, but not otherwise; or
 - (b) to reflect any changes to the level of expenses (which are reasonable in amount and reasonably incurred) affecting the Account.
- 12.1.3 Any such change will be proportionate.
- 12.1.4 We will advise you of any such change at the first practical opportunity although we may change the charge without prior notice.

12.2 External Fund annual management charges

- 12.2.1 Many of our Funds invest into collective investment funds or schemes operated by external fund managers. Those funds will themselves be subject to the external fund manager's own annual management and other charges. This will be reflected in the price of that fund's units or shares before we calculate our own Fund value and Annual Management Charge.

12.3 The bid/offer spread

- 12.3.1 As explained in Term 29, the Offer Price of Units when you pay a Contribution is higher than the Bid Price of Units when you receive benefits. This difference is called the Bid/offer spread. Sometimes known as the price spread.

13. OTHER CHARGES

13.1 Various other charges may arise on payment of a Contribution or when a transaction takes place. They will either be deducted at source before the amount is sent to us or we will deduct them from the amount we receive. These charges may be imposed in the currency of the transaction even when this is not the Account Currency. As examples, these charges may include:

- 13.1.1 charges imposed by a banker for a telegraphic transfer or a credit card provider for a credit card transaction; and
- 13.1.2 withholding taxes.

13.2 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.

14. TELLING US HOW YOU WANT TO USE ACCOUNT OPTIONS AND COMMUNICATION GENERALLY

14.1 Communications to us

- 14.1.1 To exercise any Account options or to give us any valid instruction or requests affecting your Account, then:
 - (a) the instruction or request must have been received at our Head Office; and
 - (b) the instruction or request must be in writing bearing your original signature.
- 14.1.2 Your request or instruction must comply with any reasonable requirements we may have at the time, which may include return of the Schedule, completion of a standard request or discharge form and compliance with any anti-money laundering requirements.
- 14.1.3 Your request or instruction will not be treated as received until actually received by us at our Head Office.
- 14.1.4 What does 'received by us' mean in this Term?
 - (a) 'Received' means that we have received the relevant item by postal delivery at our Head Office on a Working Day by 17.00 Isle of Man time.
 - (b) If we receive an item by later postal delivery, or by other means of communication or other than at our Head Office, then it will be treated as being received on the next Working Day or when actually received at our Head Office, if later. This applies for example to private delivery and courier services.
- 14.1.5 To protect your rights we will not normally accept notification by electronic means except as stated in Term 9.3.2 – including for example e-mail; facsimile transmission, internet; telex; telephone; nor will we accept photocopied documentation.
- 14.1.6 We may from time to time vary Term 14.1.5 to enable communication by electronic means generally for some or all of our accountholders. Any such variation will be subject to such conditions and safeguards as we consider appropriate.
- 14.1.7 We reserve the right to amend these provisions by giving you prior notice of our intention. We may also introduce different provisions for different methods of communication that we may agree under Term 14.1.6.

14.2 Communications to you

- 14.2.1 Any notice required to be given to you under these Terms will be valid if sent by post to your last recorded address in our records or, if requested by you, to your financial adviser.
- 14.2.2 Any such communication will be treated as though it had been received by you when it would normally be expected to have been received in the ordinary course of post. We can accept no responsibility for any failures by you to notify us of any change of address.
- 14.2.3 If we agree to vary Term 14.1.5 above then we may similarly vary Term 14.2.1.

15. ACCOUNT CURRENCY AND WHERE BENEFITS ARE PAYABLE

- 15.1 All benefits are payable in the Account Currency at our Head Office.
- 15.2 If the Account Currency is replaced by another currency then the new one will become that new Account Currency. For example, if the Account Currency is Pound Sterling GBP and it is replaced with the Euro, then the Account Currency will become the Euro. Contributions and benefits will then become payable in Euro based on the rate of conversion provided for by legislation.
- 15.3 If a Account Currency is abandoned and is replaced by more than one currency (such as where the Euro is abandoned) then your new Account Currency will be the Pound Sterling GBP.

16. VALUATION POINT AND UNIT PRICE USED ON A TRANSACTION DATE

- 16.1 Dictionary
 'Valuation Point' means a time when we calculate the value of a Fund to find out the prices of Units. We normally value Funds once each Working Day although a Fund may be valued more or less often than this. For example, this could be because of the frequency of valuations of an underlying collective investment scheme into which the Fund invests. We decide which Valuation Point will apply to particular transactions on a Transaction Date. We may change this in the future when considering administration and business requirements.
- 16.2 The Unit price we will use for transactions listed below will be those for the Valuation Point for transactions taking place on that day or particular time of day.
- 16.3 The Transaction Dates (subject to Term 14.1.4) for transactions involving cancellation of Units to pay for benefits will normally be for:
- 16.3.1 The Maturity Value, the Maturity Date provided this is a Working Day. If this is not a Working Day then the preceding Working Day.
 - 16.3.2 Total or partial encashment of an Account, the Working Day following the Working Day that we receive written encashment request at our Head Office.
 - 16.3.3 Regular Withdrawals, two Working Days before the Regular Withdrawals payment date.
- 16.4 If Units are allocated following payment of a Contribution then the Transaction Date will normally be the Working Day following the Working Day from the date we know the payment is credited to our bank account provided there is sufficient supporting information to identify the payment.
- 16.4.1 If a Regular Contribution is paid before the date it is due for payment, Units will not be allocated until the due date for that payment. We will hold the payment in our bank account until that time.
- 16.5 If the transaction is a Fund Switch, then:
- 16.5.1 Units will normally be cancelled from the Fund you wish to move from and allocated to your new Selected Funds on the Working Day following the Working Day that we receive the Fund Switch request at our Head Office, subject to Term 14.1.4.
- 16.6 We reserve the right to defer or decline any transaction as explained in Term 18.

17. VARYING THE TERMS BECAUSE OF CHANGES TO LAW AND TAXATION

- 17.1 If we are unable to maintain the Account in accordance with these Terms without it adversely affecting us or our accountholders because of:
- 17.1.1 any statutory or regulatory tax, duty or levy being imposed; or
 - 17.1.2 any change in Manx Law or other law or change in taxation or regulatory practice which affects:
 - (a) us, or
 - (b) the Account issued by us, or
 - (c) the Funds kept by us, or
 - (d) the investments of the Funds; then
 in such circumstances, on the advice of our Actuary, we may vary these Terms and the benefits payable under the Account if need be without giving prior notice.
- 17.2 Any such variation will be to whatever extent we regard as appropriate to put our Accountholders and ourselves into the financial position we both would have been in but for the levy or change in law, taxation or regulatory practice.
- 17.3 We will advise you of any amendment to these Terms at the first practical opportunity.

18. DEFERRAL AND DECLINATURE OF TRANSACTIONS

- 18.1 Where we consider it to be in the interests of accountholders generally (for example, prevailing stock market conditions) then we may defer or decline (where appropriate) any transaction involving allocation, cancellation or Fund Switch of Units for up to two weeks. However, where a Fund has a direct or indirect real property element, deferral may be for a period not exceeding 12 months, subject to Term 18.2.
- 18.2 We may defer any transaction involving allocation, cancellation of Units in a Fund to a date we consider appropriate and equitable in the circumstances, having regard to the interests of accountholders generally if:
- 18.2.1 Dealings in an underlying collective investment scheme into which a Selected Fund invests or in an asset directly held by such scheme has been suspended; or
 - 18.2.2 Any of the principal stock exchanges or markets on which a substantial proportion of the assets of a Fund are quoted is closed, other than for ordinary holidays, or has restricted dealing; or
 - 18.2.3 We, or the manager on behalf of an underlying collective investment fund or scheme into which a Selected Fund invests:
 - (a) Is unable to repatriate 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 due on cancellation of Units cannot be carried out at normal exchange rates; or
 - 18.2.4 Other circumstances preclude calculating fair and accurate prices for Units.
- 18.3 You should be aware that for certain funds, for example a property Fund, the value of property is generally a matter of the opinion of a valuer.
- 18.4 Where we consider that a transaction would adversely affect the interests of accountholders generally with units in the Fund then we reserve the right to decline to carry out the transaction without prior notice rather than defer it in accordance with Term 18.1. We accept no liability for any economic or other loss occasioned by our exercising this right in good faith.
- 18.5 The underlying Fund manager may exercise a similar right to decline an instruction from us to carry out a transaction.

19. ANTI-MONEY LAUNDERING

- 19.1 You will provide us with such information or documents that we request in order to comply with the anti-money laundering regulations and legislation on the Isle of Man or any other relevant jurisdiction. We can only proceed with the allocation of Contributions or the payment of benefits when the information provided complies with the regulations and legislation. We can accept no responsibility for any delay or failure to carry out your instruction or request in such circumstances.

20. INFORMATION TECHNOLOGY FAILURE AND FORCE MAJEURE

- 20.1 We shall not be liable for any failure to perform our obligations if we are prevented from doing so by reason of:
- 20.1.1 Failure outside of our control of our information technology systems provided we have reasonable procedures in place by way of a disaster recovery programme; or
 - 20.1.2 Other supervening acts outside of our control, for example (but not limited to) an act of God, war, terrorism, fire, flood, national emergency, radioactivity, sonic bangs, pollution, contamination or industrial action.

21. ASSIGNMENT

- 21.1 When acknowledging and noting in our records any assignment or notice of such transaction, we accept no responsibility for the legality or effect of the transaction to which it relates.

22. JOINT OWNERSHIP

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

23. APPOINTMENT OF FINANCIAL ADVISER

- 23.1 Dictionary
Financial Adviser means the person or firm which acts on your behalf when you are considering whether to apply for your Account, during the process of applying for your Account and while you own your Account.
- 23.2 The Financial Adviser has been appointed by you to deal with your affairs and interests according to whatever terms you have agreed with them.
- 23.3 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.
- 23.4 We are not responsible for any failure or breach in the relationship between you and your Financial Adviser.
- 23.5 We may make payments (such as commission) to your Financial Adviser in respect of your Account, 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.

24. THIRD PARTY RIGHTS

- 24.1 Only the Accountholder or his legal personal representatives or assignees (including trustees where the Account is subject to a trust) may enforce the terms of the Account.

25. YOUR COUNTRY OF RESIDENCE

- 25.1 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 Account.

26. RELEVANT LAW

- 26.1 The Terms of this Account are to be interpreted in accordance with and are governed by the law of the Isle of Man and are subject to the exclusive jurisdiction of the courts of the Isle of Man.

27. COMPLAINTS PROCEDURE

- 27.1 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
Government Buildings
Lord Street
Douglas
Isle of Man
IM1 1LE
British Isles

Complaining to the Ombudsman may affect your legal rights.

PART D – GENERAL FUND CONDITIONS**28. HOW WE VALUE A FUND**

- 28.1** The value of a Fund is principally derived from the valuation of the underlying investments, but will also include elements of income, cash, expenses and possibly taxation.
- 28.2** The value of investments is an amount between:
- 28.2.1 The offer prices of those investments (plus any associated costs of buying them) – the **'Maximum Offer Price'** (sometimes known as the maximum Buying Price); and
 - 28.2.2 The bid prices of those investments (plus any associated costs of selling them) – the **'Minimum Bid Price'** (sometimes known as the minimum Selling Price).
- 28.3** For investments held in currencies other than the Account Currency will be converted at prevailing currency exchange rates at the Valuation Point.
- 28.4** Income
- 28.4.1 The value of a Fund will include amounts relating to income in the form of dividends, distributions and interest from the underlying investments. Appropriate adjustments for income not yet received will be included within the value of the Fund where they are known prior to receipt.
- 28.5** Cash
- 28.5.1 Where appropriate, cash accounts will be included in the value of the Fund.
- 28.6** Expenses
- 28.6.1 At each Valuation Point, we will deduct from the value of a Fund:
 - (a) A proportion of the Annual Management Charge; and
 - (b) Such amounts as we consider proper for payments and expenses incurred in the management, maintenance and valuation of the Fund and its investments. These include our administration costs, Fund managers fees and custodian fees.
 - 28.6.2 Appropriate expense provisions will be deducted from the value of a Fund, where known, prior to the payment date of those expenses.
 - 28.6.3 The price of units or shares in underlying collective investment funds and schemes will implicitly reflect the underlying annual management charge and expenses for those investments.
- 28.7** Taxation
- 28.7.1 We will deduct from the value of a Fund, where appropriate, amounts for withholding tax liabilities in respect of investment income.
- 28.8** Levies or other charges
- 28.8.1 We may deduct from the Fund an amount for the share of any actual or prospective levy or other charge on the investments or income of the Fund that we consider proper.

29. CALCULATION OF UNIT PRICES

- 29.1** We will calculate the Bid Price of a Unit by taking the value of the Fund and dividing it by the number of Units then in existence in the Fund, and rounding up the result to three decimal places.
- Example,
If the value of the is £20,000 and the current number of Units in that Fund is 26,000, then the Bid Price is $20,000/26,000 = 0.7692307$ truncating to three decimal places is a Bid Price of 0.769
- 29.2** We will calculate the Offer Price of a Unit by dividing the Bid Price calculated in Term 29.1 by $93/100$ and truncating the result to three decimal places.
- Example,
Using the Bid Price in the example above, the Offer Price would be: $0.769/(93/100) = 0.8268817$ truncating to three decimal places is an Offer Price of 0.827
- 29.3** We may from time to time decide in the interests of fairness to change the basis for valuing the investments, subject to the limits described in Term 28.2.

30. CLOSURE, MERGER OR OTHER TERMINATION OF A FUND

- 30.1** Where we consider that it is in the interests of accountholders (or circumstances outside our control dictate), we may close a Fund to further investment from account holders, by way of Contributions or Fund Switch, either temporarily or permanently. In that case the Fund will remain one of your Selected Funds unless you carry out a Fund Switch.
- 30.1.1 If you are paying Regular Contributions, the amount of future Regular Contributions which were allocated to the closed Fund will be automatically redirected to the OMI IM Deposit Fund or a similar deposit type Fund until you instruct us otherwise in accordance with Term 9.7.
- 30.2** We may also terminate a Fund for all Unit holdings. An example of this could be where we consider it to be uneconomic to continue to operate a Fund, or where an underlying investment scheme into which the Fund invests is closed or becomes unavailable to us.
- 30.2.1 We may merge two or more Funds where we (or a manager of underlying collective investment funds or schemes into which Funds invest) consider it to be appropriate and economic.
- 30.2.2 Except where the circumstances are outside our control, we will give you notice of the impending closure, merger or termination including the reason for taking such action and, where we consider it appropriate and reasonable, details of an alternative fund. You may choose another Fund or Funds as explained in Term 9.3. If you do not make a choice, then we will choose a suitable similar Fund (or if none are available then a deposit Fund) or, if following a merger then the merged Fund, provided we consider that the objectives of the Fund remain broadly the same.

www.oldmutualinternational.com

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

Old Mutual International Isle of Man Limited is registered in the Isle of Man under number 24916C. Registered and Head Office: King Edward Bay House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles. Phone: +44 (0)1624 655 555 Fax: +44 (0)1624 611 715.

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