

Elite Account

Policy Provisions

You should read these policy provisions carefully and retain them for future reference. They set out important information about your Elite Account (the 'account') and, together with the completed application form, the schedule, these policy provisions, the key features document, any endorsements to the policy provisions and/ or schedule issued by us, and any other document stated to form part of the agreement, represent the terms of the contract between you and us.

When you sign the application form, you accept and agree to be bound by these policy provisions, as amended, supplemented, or varied from time to time by us.

1. Context

Throughout this document where the context allows, words in the singular shall include the plural, the masculine gender shall include the feminine gender, and vice versa.

2. Nature of the Account

The Elite Account is a group of single premium whole life assurance policies. Each policy is identical to the others in the account, and each policy is unit-linked.

We will issue your account as soon as is reasonably practicable, following our receipt and acceptance of:

- a fully completed application form,
- any required supporting documentation, as specified in the application form,
- your initial premium.

Your account operates in accordance with these policy provisions. No provision or condition of these policy provisions or the schedule may be waived or modified except by an endorsement issued by us. We may update these policy provisions from time to time in accordance with provision 26 (Changes to this agreement).

Unless otherwise stated in the schedule, the account is issued to you and the account benefits are payable to you, your administrators, executors, or assignees.

You own the account and the policies that make up the account.

We own the units, the funds and the assets comprising them or held within them, not you.

We will provide the account benefits in accordance with these policy provisions. All benefits are payable in the Isle of Man.

3. Premium

All premiums must be paid in a method acceptable to us, as specified in the application form and you bear any cost incurred by your bank or any other financial institution for making the premium payments.

Additional premiums can be paid at any time, and all premiums are subject to a minimum amount determined by us from time to time, as specified in the latest Elite Account key features document which is available on our website www.canadalife.co.uk.

We reserve the right to refuse to accept any premium and, if appropriate, terminate our relationship to avoid breaching any anti-money laundering and counter terrorist financing regulations or other applicable laws and regulations in the Isle of Man or any other relevant jurisdiction.

All premiums should be in the account currency, as specified in the application form. If a premium is paid to us in any other currency, it will be converted by us to the account currency using an exchange rate which includes an element of profit for us. Please refer to provision 14.9 (Currency exchange charge) for further details.

The schedule shows the amount of the premium and any additional premiums will be shown in an endorsement.

4. Transaction account

Your account includes a multi-currency transaction account, through which all cash transactions are recorded by us in respect of the account, including the receipt of all premiums, the payment of all charges and fees and the payment of any withdrawals or surrenders from the account.

We will determine the dates on which we deduct account charges from your transaction account.

The cash balance of the transaction account is included within the account value.

The policyholder is responsible for the ongoing management of the transaction account, to ensure that there is sufficient money to cover any relevant charges and fees, and other account deductions. The policyholder may delegate this responsibility to their financial adviser, the fund adviser, or a discretionary fund manager, where appropriate.

We may pay or charge interest at a rate determined by us, which will take account of the interest rate received by or charged to us from our bankers and the prevailing Bank of England base rate.

Where there is a positive balance in the transaction account, we may:

- pay you no credit interest in respect of your positive transaction account balance, where the credit interest rate determined by us is zero, or
- pay you an amount of credit interest in respect of your positive transaction account balance, where the credit interest rate determined by us is positive, or
- deduct from your transaction account an amount of interest in respect of your positive transaction account balance, where the credit interest rate determined by us is negative.

We do not pay credit interest on monies that we hold outside of the transaction account while effecting transactions in funds.

Where there is a negative balance in the transaction account, we will charge debit interest for each day that the transaction account balance is negative.

If the transaction account has a negative balance which exceeds a threshold set by us from time to time and specified in the Elite and Prestige Accounts charges and fees document, which is available on our website www.canadalife.co.uk, we reserve the right to clear the negative transaction account value by realising permitted property which is linked to your account without seeking or obtaining your prior consent or that of any financial adviser, fund adviser or discretionary fund manager. Where this is necessary, we will realise the said permitted property in the following order:

- first, we will realise all available cash including cash held in CLI Money funds,
- thereafter, we will check our records for any standing instructions held in relation to clearing overdrafts,
- thereafter, we will check for any external instant access cash accounts,
- finally, we will realise the largest liquid holding in terms of monetary value.

If, after realising the largest liquid holding, there is still insufficient cash to clear the overdrawn position, we will realise the next largest holding, and so on, until the overdrawn position is cleared.

If dealing in any permitted property which is linked to your account is suspended, we will not be able to realise that permitted property to clear the overdrawn position. It should be noted that we are not making an investment decision when choosing which permitted property to realise to clear an overdrawn position.

If we are unable to clear the overdrawn position for any reason, any remaining negative transaction account value will accumulate debit interest.

Any applicable interest will be added to or deducted from the transaction account quarterly in arrears.

The credit and debit interest rates applied to positive or negative transaction account balances are shown in the Elite and Prestige Accounts charges and fees document which is available on our website www.canadalife.co.uk

5. Units

Each fund is divided into units.

Units of one, or more than one, fund are allocated to your account when:

- permitted property is selected by you, the fund adviser or (in relation to an internal-linked fund) a discretionary fund manager; or
- you ask us to transfer money or permitted property to a discretionary fund manager.

Units are cancelled from your account when:

- permitted property is realised on the instructions of you, the fund adviser or (in relation to an internal-linked fund) a discretionary fund manager; or
- permitted property is realised for any other reason, for example to clear an overdrawn position on the transaction account; or
- you ask us to terminate the appointment of a discretionary fund manager; or

- we are required to cancel them before conferring benefits under your account.

There may be other occasions or circumstances when units are allocated to your account or cancelled from your account.

The value of units allocated to your account at any time determines, in part, the account value. The account value is used, in most instances, to determine the value of the benefits that can be paid under your account.

We will use the unit prices and exchange rates effective on the date of the relevant transaction to calculate the number of units we allocate to your account or cancel from your account. The number of units in any transaction will be rounded to eight decimal places and any rounding adjustments accrue to us.

6. Funds

You may:

- select permitted property by giving instructions to us; and/or
- nominate a fund adviser to select permitted property. The fund adviser will give instructions to us or a platform. We will appoint the fund adviser, not you; and/or
- nominate a discretionary fund manager (or more than one discretionary fund manager) to select permitted property, to be held by it or the custodian it works with. We will appoint the discretionary fund manager, not you.

Once the account has been issued, we will allocate the premium to the transaction account and after the deduction of appropriate charges as outlined in provision 14 (Charges and Fees), we will give effect to your investment instructions contained in the application form, or otherwise in writing from you, as soon as is reasonably practical. We will calculate the number of units in each fund to be allocated to your account by dividing the proportion of the premium appropriate to that fund as specified in the investment section of the application form, or otherwise in writing by you, by the unit price of that fund on the relevant date.

For additional premiums, we will allocate the additional premium to the transaction account and after the deduction of appropriate charges as outlined in provision 14 (Charges and Fees), we will give effect to your investment instructions contained in the additional premium form, or otherwise in writing from you, as soon as is reasonably practical. We will calculate the number of units in each fund to be allocated to your account by dividing the proportion of the additional premium appropriate to that fund as specified in the investment section of the additional premium form, or otherwise in writing by you, by the unit price of that fund obtained on the relevant date.

If the purchase, realisation or continued holding of permitted property results in us incurring a charge to taxation then we will arrange for the cost to be passed onto each relevant account, in a manner that is fair and appropriate.

7. Unit prices and fund valuation

How a unit is priced depends on the type of unit which is being considered. Unit prices are determined when:

- we allocate units to your account, as described in provision 5 (Units);
- we cancel units from your account, as described in provision 5 (Units); or
- we are required to value some or all of the units allocated to your account, for any reason.

For units of internal-linked funds, the unit price will be calculated on dates and with a frequency determined by us. The unit price will be calculated on whatever basis we consider appropriate, but we will have regard to the value of the assets forming that fund. The maximum value we place on assets in internal-linked funds is the lowest market price for which they could be bought plus any dealing and other related costs that we may pay on purchase. The minimum value we place on assets in internal-linked funds is the highest market price for which they could be sold, less any dealing and other related costs that we may pay on sale. If an internal-linked fund is suspended, we will value units based on fair value accounting principles.

For units of external funds, the unit price will be calculated relying solely on valuations supplied to us by the third-party manager of the external investment vehicle or its agent. We will calculate the unit price on the same day that the external investment vehicle values its shares, units, or interests. We have no influence over how each third-party manager manages an external investment vehicle or how they value the shares, units, or interests in them. If a third-party manager of an external investment vehicle or its agent fails to supply a valuation, we will not be able to value the units accurately.

For permitted property held on a platform, the unit price will be derived relying solely on valuations supplied to us by the platform or custodian. If the platform or custodian fails to supply a valuation of some or all the permitted property held on the platform, we will not be able to value the units accurately.

For permitted property managed by a discretionary fund manager, the unit price will be derived relying solely on valuations supplied to us by the discretionary fund manager or custodian. If the discretionary fund manager or custodian fails to supply a valuation of some or all the permitted property managed by the discretionary fund manager, we will not be able to value the units accurately.

We accept no responsibility or liability for the accuracy of any such valuation.

For cash deposits, the unit price will be calculated relying solely on valuations supplied to us by the relevant building society, bank, or other deposit taker.

The transaction account is not unitised and is expressed as a positive or negative monetary value in the account currency.

If an external fund changes because of any action taken by a third-party manager of an external investment vehicle (for example, a re-organisation of the shares, units or interests in the external investment vehicle, or a change of share class, or bonus issue) we will amend the units linked to the account accordingly.

The value of the units of an external fund representing shares, units or interests in an external investment vehicle will be reduced by any charges and expenses applied to the external investment vehicle by the third-party manager. Third-party managers of external investment vehicles sometimes adjust the valuation of their external investment vehicle to cover exceptional costs and occasional errors that may arise when people buy or sell shares, units, or interests in the external investment vehicle. We cannot predict when a third-party manager of an external investment vehicle will make such an adjustment, but if this does happen, we will change the unit price for the external fund.

8. How we calculate your account value

Your account value on any given date is the value of all units allocated to your account plus (or minus) the monetary value of the transaction account on that date and is expressed in the account currency.

The value of units allocated to your account is calculated by adding up the value of each unit which is allocated to your account; and the value of each unit is the unit price of that unit, as set out in provision 7 (Unit prices and fund valuation). We use the latest available unit price and currency exchange rate, if applicable, which both may fluctuate daily.

In calculating the value of units, we will make allowance for income received or accrued, for outgoings of whatever nature regarding the investments of each fund and for any actual or prospective contingent or other liability for taxation or any levy or charge or cost we consider relevant (acting in good faith) and for the costs incurred in managing the account.

9. Dealing

Subject to provision 10 (Dealing delays, suspensions, or refusals):

- you may give us instructions to realise permitted property;
- the fund adviser may give us instructions to realise permitted property; and
- a discretionary fund manager may give us instructions to realise units of an internal-linked fund.

Each individual investment instruction will incur a transaction charge, as described in provision 14.3 (Transaction charge). The current applicable transaction charges (and full details of all charges and fees) are shown in the Elite and Prestige Accounts charges and fees document, which is available on our website www.canadalife.co.uk.

10. Dealing delays, suspensions, or refusals

There may be circumstances where we may need to delay, suspend, or refuse to allow investment transactions generally, or particular investment transactions. This may include situations where suspension is necessary for technical reasons, emergencies, regulatory reasons, to maintain or upgrade our systems, or by reason of events or circumstances beyond our control, or where continued investment could have a material or detrimental, legal, regulatory or tax consequence for us or you.

We will aim to give you as much notice as possible of any delay, suspension, or refusal, although there may be occasions where we need to take immediate action.

Examples of such circumstances include (but are not limited to):

- Where shares, units or interests of an external investment vehicle are being realised, and the terms of the external investment vehicle require a notice period for redemption. We will abide by those notice terms, which may delay receipt of the redemption proceeds;
- Where an internal-linked fund or an external investment vehicle contains real property or other illiquid investments, it may take some time to sell that property or those investments, and this could delay receipt of any redemption proceeds;
- Exceptional market conditions may cause liquidity problems for an internal-linked fund or an external investment vehicle;
- Where we reasonably believe that you may be engaging in activities designed to take advantage of market timing opportunities or otherwise disrupt the unit pricing of a fund;
- Where we are unable to price the units of a fund accurately; or
- Where you, or the fund adviser or a discretionary fund manager are seeking to make an investment in an asset which is not permitted property.

We may delay the execution of an investment transaction for as long as is reasonably necessary. In the event of delay, the unit price and any applicable exchange rate will reflect the delay.

We will not be liable for any loss incurred by you because of us needing to delay, suspend, or refuse to allow any investment transaction.

11. Fund closure

We may close, withdraw, or combine any internal-linked fund for any of the following reasons:

- the internal-linked fund becomes disproportionately expensive to run;
- the internal-linked fund is materially underperforming;
- a change in law or regulation makes the internal-linked fund impossible or impractical to run;
- appropriate assets are unavailable for the internal-linked fund to invest in; or
- the internal-linked fund no longer aligns to our strategic proposition.

We will write to you before closing any internal-linked fund which your account has invested in.

The third-party manager of an external investment vehicle may decide to close or modify an external investment vehicle. We will use reasonable efforts to let you know as soon as possible after we are made aware of a closure, merger or other material change to an external investment vehicle which your account has invested in.

12. Forced realisation of funds

We may arrange the realisation of any:

- assets held within an internal-linked fund;
- shares, units, or interests in any external investment vehicle;
- permitted property managed by a discretionary fund manager;

where continued holding could have a material or detrimental legal, regulatory or tax consequence for us or you.

13. Liability

We give no warranty or undertaking as to the performance or profitability of any fund.

If we own any assets, representing some or all of the units allocated to your account, which are held or deposited with, or are shares, units or interests of, or are otherwise invested in an entity which fails, defaults or enters insolvency or a similar procedure (a 'Defaulting Third Party'), our right to share or partake in any compensation scheme applicable to that Defaulting Third Party is likely to be limited. Policyholders will have no rights against a Defaulting Third Party.

We shall not be liable for any loss, or any resulting compensation arising directly or indirectly from the default, failure, collapse, insolvency, restructuring or any other act or omission of any custodian bank, investment manager, bank, financial institution, agent, nominee, contract counterparty, issuer of any asset or investment held in any fund, financial adviser, fund adviser, discretionary fund manager or other relevant party where such party has been engaged upon your nomination or instruction, and whether the loss arises from a loss of funds, assets, title documents or otherwise.

We shall not be liable for any loss, or any resulting compensation due to an event or circumstance beyond our control.

14. Charges and Fees

Unless otherwise stated, the charges and fees are deducted from the transaction account in the account currency quarterly in arrears.

All charges applicable to the account are reflected within your personalised illustration.

Full details of all our charges and fees are shown in the Elite and Prestige Accounts charges and fees document which is available on our website: www.canadalife.co.uk or on request.

14.1 Establishment charge/Yearly management fee

A charge based on your premium that we deduct for setting up your account. It is also payable when you pay an additional premium.

The establishment charge/Yearly management fee is calculated as a percentage of your initial premium and is deducted from the transaction account each quarter for the lifetime of the account. This charge is tiered, so that higher initial premiums are charged a lower fee. Any additional premiums will be charged at the same ongoing management fee rate as the initial premium. The specific charge applicable to your account is shown in your personalised illustration.

14.2 Surrender charge

There is no specific surrender charge but if you surrender any of the policies that make up your account, or fully surrender your account, we will deduct any outstanding establishment charge/yearly management fee for the quarter in which the policy or account is fully surrendered.

14.3 Transaction charge

A charge that we deduct for each investment transaction we execute.

A transaction charge will apply to every individual purchase of permitted property and every individual realisation of permitted property linked to your account. If you switch from one fund to another, this will result in two separate transaction charges – one for the realisation and another for the subsequent purchase.

A transaction charge will apply if we are instructed to place money on deposit with a building society, bank, or other deposit taker, or send money from your transaction account for the creation of a portfolio of permitted property on a platform or send money from your transaction account for the creation of a portfolio of permitted property to be managed by a discretionary fund manager.

Transaction charges will not apply to the purchase and realisation of permitted property within a portfolio of permitted property held on a platform or managed by a discretionary fund manager, although we do reserve the right to pass on any charges which are incurred by us in these circumstances.

A transaction charge will apply if we are instructed to realise any deposit made with a building society, bank or other deposit taker and thus receive a monetary amount into your transaction account, or on the full realisation of a portfolio of permitted property held on a platform or managed by a discretionary fund manager.

A transaction charge will apply to an in-specie or stock transfer. This could arise on the payment of a premium or a transfer to a discretionary fund manager, or on a surrender request.

Regular payments to or from your transaction account from a building society, bank or other deposit taker, a platform, a discretionary fund manager for the ongoing cash management of the transaction account will not incur transaction charges.

Where we send a payment by the Clearing House Automated Payment System (CHAPS) to a bank account in direct settlement of a purchase to the manager of an external investment vehicle, a building society, bank or other deposit taker, a platform, a discretionary fund manager, we may apply a CHAPS charge to your transaction account, as described in provision 14.10 (Charges for additional services).

14.4 Fund Manager charges

A charge applied by the manager of an internal-linked fund to cover their costs and expenses of managing the assets comprising the fund.

This may be applied as initial or exit charges and/ or as ongoing annual management charges. Where an initial charge applies, this will be deducted from your investment amount before it is invested, similarly where an exit charge applies this will be deducted from any realisation proceeds. For ongoing annual management charges, you will not see these as deductions from your account because they are already allowed for in the price of the units of the fund.

14.5 Initial adviser charge

A one-off charge we can deduct from the amount you pay to us as premium or from your account to pay to your financial adviser for their advice to you.

Within the application form, you can choose to pay your financial adviser an initial charge either from the amount you pay to us as premium but before it is invested in the account, or immediately after the account has commenced. This can be specified as a monetary amount or as a percentage of your premium. Where the initial adviser charge is deducted from the account, it is treated by us as an immediate one-off withdrawal under provision 16.1 (One-off withdrawals), and will count towards the 5% tax deferred withdrawal allowance for UK tax resident policyholders.

14.6 Ongoing adviser charge

An ongoing charge we can deduct from your account to pay to your financial adviser for their ongoing advice to you in relation to the account.

You can choose to pay your financial adviser an ongoing charge from your account by completing the relevant section of the application form or, after the account has been issued, by completing the starting or changing adviser charge deductions form, which is available on our website: www.canadalife.co.uk, or on request.

The ongoing adviser charge can be specified as a monetary amount or as a percentage of your account value. The ongoing adviser charge is treated by us as a regular withdrawal under provision 16.2 (Regular withdrawals), and will count towards the 5% tax deferred withdrawal allowance for UK tax resident policyholders.

You can change or stop an existing ongoing adviser charge by completing the starting or changing adviser charge deductions form and sending it to us by post, or by an electronic means acceptable to us.

14.7 Fund adviser fee

An ongoing fee we can deduct from your account to pay to the fund adviser for the investment services they supply in relation to the account.

You can elect to pay the fund adviser an ongoing fee from your account by completing the relevant section of the application form or, after the account has been issued, by completing the relevant section of the investment administration form, which is available on our website: www.canadalife.co.uk, or on request.

The fund adviser fee must be specified as a percentage of your account value. The fund adviser fee should not count towards the 5% tax deferred withdrawal allowance for UK tax resident policyholders.

You can ask us to change or stop an existing fund adviser fee in writing by post, or by an electronic means acceptable to us.

14.8 Platform/Discretionary Fund Manager charges

An ongoing charge levied by a platform or a discretionary fund manager for providing services to us for your account.

Where a fund adviser can select permitted property through a platform, the platform will charge for using the services it provides. Where a discretionary fund manager is appointed to manage a portfolio of permitted property, the discretionary fund manager will charge for the services it and its custodian (if applicable) provide. Some or all these charges may not be deducted from your transaction account but will instead be deducted from monies held by or for the platform or the discretionary fund manager.

14.9 Currency exchange charge

A charge made by us to cover our costs in relation to any account activity that requires the exchange of currencies.

A currency exchange charge will be made by us when:

- we receive premiums in a different currency to the policy currency; or
- we allocate or cancel units of a fund in a different currency to the policy currency; or
- we make payments from the policy (including claims) in a different currency to the policy currency.

In these circumstances we will obtain an exchange rate from our bank at the time and apply a tiered margin to that exchange rate based on the value of the transaction, as shown in the Elite and Prestige Accounts charges and fees document which is available on our website: www.canadalife.co.uk or on request.

A currency exchange charge is not an explicit account deduction; it is incorporated within the currency exchange rates we use for each transaction.

14.10 Charges for additional services

When making payments from your account, we may charge a fee depending on the method of payment you choose. We do not currently make a charge for inter-bank payments made by Bankers Automated Clearing Service (BACS), but we do make a charge for any payments made by the Fastpay system and the Clearing House Automated Payment System (CHAPS), and for payments made to non-UK bank accounts.

Where you ask us to assign individual policies or the account to a new policyholder, we will charge your account an assignment charge.

Where it is necessary for us to endorse your account for whatever reason, we will charge your account an endorsement charge.

The amount of the charges for additional services are shown in the Elite and Prestige Accounts charges and fees document which is available on our website: www.canadalife.co.uk or on request.

14.11 Debit interest charge

Where there is a negative balance in the transaction account, we will charge debit interest for each day that the transaction account balance is negative at the rate shown in the Elite and Prestige Accounts charges and fees document which is available on our website: www.canadalifeint.co.uk or on request.

14.12 Third-party charges

We may facilitate payment of third-party charges from the account at your request, to pay one-off or ongoing charges for professional services received (including, but not limited to legal, accountancy, professional trustee, or tax agent fees).

Any such payment is treated by us as an immediate one-off withdrawal under provision 16.1 (One-off withdrawals) and will count towards the 5% tax deferred withdrawal allowance for UK tax resident policyholders.

15. Changes to charges

We reserve the right to increase any or all the account charges, or introduce new charges, to the extent reasonably required to cover:

- increases in the rate of inflation in the Isle of Man; and/or
- increases in administration and other costs which we reasonably incur; and/or
- the cost of additional charges, levies or taxes which apply to the account or to us; and/or
- any additional costs associated with changes to legislative or regulatory requirements.

We will make an assessment each year to determine whether it is necessary to increase any or all charges in line with increases in the rate of inflation in the Isle of Man. Where we determine that this is necessary, the increase will be effective from 1 April and the increased charge amounts will be shown in the Elite and Prestige Accounts charges and fees document which is available on our website: www.canadalife.co.uk or on request.

Where we introduce new charges, or where we increase any charge for reasons other than an annual assessment of Isle of Man inflation, we will give you at least three months' notice in writing unless that is not reasonably possible in the circumstances. If you do not agree with any proposed charges, you have the option of terminating the contract as described in provision 16.4 (Surrender of the account). Any future increases in charges will be shown in the Elite and Prestige Accounts charges and fees document which is available on our website: www.canadalife.co.uk or on request.

Any deductions and charges made by a third-party manager of an external investment vehicle in respect of that vehicle are not within our control. These charges are subject to change in accordance with the documentation which governs the management of the external investment vehicle.

16. Taking money from your account

You can take money from your account in several ways:

- One-off withdrawal – taken across all policies that make up the account
- Regular withdrawals – taken across all policies that make up the account
- Surrender of one or more policies that make up the account
- Surrender of the account

In all cases we require withdrawal and surrender requests to be made in writing by completing the surrender/withdrawal form which can be found on our website, www.canadalife.co.uk, and sending it to us by post or an electronic method acceptable to us. Where there is more than one policyholder, all policyholders must approve a withdrawal or surrender request.

The surrender/withdrawal form allows you to provide specific dealing instructions for one-off withdrawals and policy surrenders, otherwise it outlines the order in which we will deal if no specific instructions are provided.

We will give instructions to realise permitted property which is linked to your account, within five working days of receipt of a fully completed surrender/withdrawal form.

Once the realised amount has been credited to the transaction account, then subject to our reasonable requirements we will make payment of the one-off withdrawal, full surrender of a policy or policies, or full surrender of the account.

Regular withdrawals will be paid on the regular withdrawal due date from the transaction account. It is your responsibility to ensure there is sufficient money in the transaction account to fund regular withdrawals, otherwise the transaction account balance may become negative, resulting in overdraft interest being charged.

We reserve the right to defer any payment from your account if payment to us has been deferred for any reason or where payment to us has been delayed. In these circumstances, we will only make the payment to you once we have received the money we need. There will be no credit interest payable in respect of a deferred payment.

16.1 One-off withdrawals

One-off withdrawals can be taken from the account at any time, provided the account value after the one-off withdrawal has been deducted is at least £5,000 (or currency equivalent for non-sterling accounts), plus the value of any outstanding charges. The lowest amount that can be withdrawn is £200 (or currency equivalent for non-sterling accounts).

One-off withdrawals are deducted equally from all the policies that make up the account. It may be necessary to realise permitted property which is linked to your account to make a one-off withdrawal.

16.2 Regular withdrawals

Regular withdrawals can be taken from the account at set intervals, provided the account value after a regular withdrawal has been deducted is at least £5,000 (or currency equivalent for non-sterling accounts), plus the value of any outstanding charges. A regular withdrawal can be taken every year, every six months, every three months, or every month.

The lowest amount that can be withdrawn is £50 (or currency equivalent for non-sterling accounts).

Regular withdrawals are deducted equally from all the policies that make up the account. It may be necessary to realise permitted property which is linked to your account to make a regular withdrawal.

16.3 Surrender of one or more policy

Individual policies can be surrendered at any time, if the account value after the policy surrender is at least £5,000, plus the value of any outstanding charges.

It may be necessary to realise permitted property which is linked to your account to make a payment to you on the surrender of a policy. The amount that will be paid to you on the surrender of a policy will be determined by us and will be based on the account value and the number of policies in issue on the date of surrender.

16.4 Surrender of the account

The account can be surrendered in full at any time.

The amount payable by us on the surrender of the account will be the account value, less the value of any outstanding charges. We will require all the permitted property, which is linked to your account, to be realised and the proceeds to be transferred in cleared funds to the transaction account, before determining the account value for the purposes of this provision.

17. Death benefit

Unless otherwise stated in the schedule, the account is issued to you and the account benefits are payable to you, your administrators, executors, or assignees.

In the application form, you will specify the life assured or the lives which are to be assured by us. On the death of the sole, or last surviving, life assured, we will pay the death benefit for each policy in force.

In all cases we require a death claim to be made by the claimant in writing, by completing the death claim form which can be found on our website, www.canadalife.co.uk and sending it to us by post or an electronic method acceptable to us to the address in provision 22 (How to contact us). We will also require proof of the claimant's title and proof of the relevant life assured's death and age, together with any other documentation and information we may reasonably require at the time.

We will give instructions to realise all the permitted property which is linked to your account within five working days of receipt of a fully completed death claim form.

Once the realised amount has been credited to the transaction account, then subject to our reasonable requirements we will make payment of the death claim.

The death benefit payable in respect of each policy will be identical and will be in aggregate equal to the death benefit payable in respect of the account. The death benefit payable in respect of the account is the account value plus £100.00 (or currency equivalent for non-sterling accounts), less any outstanding charges, as provided in provision 14 (Charges and Fees).

We reserve the right to defer any payment of the death benefit if payment to us has been deferred for any reason or where payment to us has been delayed. In these circumstances, we will only pay the death benefit once we have received the money we need. There will be no credit interest payable in respect of a deferred or delayed payment to you.

18. Assignment and charging

You may assign individual policies or all the policies that make up the account to a new policyholder. If the new policyholder is an individual, they must be aged 18 or more. You may not assign part of a policy.

Each new policyholder must promptly provide evidence of identity, proof of residential address and any other evidence and information we may reasonably require.

If you charge the account to a bank or other creditor by way of security, the charge will apply to all the policies in the account and will not apply to only some of the policies in the account.

All notices of assignment or charge affecting the title to a policy must be given to us in writing and must state the date and purpose of the assignment or charge.

19. Change of country of residence

We must be notified in writing of any change to your country of residence. You are responsible for reporting and paying any tax liability in relation to this account as required by the relevant tax authorities. Changing your country of residence may change how this account is taxed and you should seek appropriate tax advice before moving to a new country.

A change in your country of residence may impose limitations on us in how we are able to continue to service your account, which may include but is not limited to the following:

- we may become legally unable to continue to receive premiums, make payments from the account, or accept investment instructions from you,
- we may choose to refuse to accept premiums or make payments from the account or accept investment instructions from you where we reasonably believe this may damage our reputation,
- we may be required by law or regulation to terminate the account

20. Anti-money laundering and counter-terrorist financing, trade or economic sanctions, bribery, corruption, tax evasion and fraud

You must supply us with any information or documents that we request so we can comply with our obligations under the anti-money laundering and counter-terrorist financing laws and regulations and failure to do so will mean that we are unable to act on your instructions.

We may withhold any services or benefits, including delaying or refusing to make payments or delaying or refusing to act on your instructions, or closing your Account where necessary for us to comply with our obligations under the laws relating to trade or economic sanctions, bribery, corruption, tax evasion, fraud and the anti-money laundering and counter-terrorist financing.

We will not be liable for any loss suffered or incurred by you or a third party if we need to take any action (including where we cannot act on your instructions) to ensure we comply with our legal and regulatory obligations.

21. Right to cancel

You have the right to cancel your account or the payment of an additional premium and obtain a refund by giving a written notice to us using the address in provision 22 (How to contact us). The cancellation will be processed as follows:

- The notice to cancel the account or payment of an additional premium must be signed by all policyholders and returned to us within 30 days from the day you receive your account documents or confirmation of payment of an additional premium.
- Where applicants are at separate addresses the cancellation notice will only be issued to the address of the first applicant.
- You can cancel your account before you receive your documents by contacting us or your financial adviser.

On acceptance of your cancellation notice, we will refund your premium, less:

- any realised investment losses between the date of purchase of permitted property and the date of realisation of the same; and
- any initial adviser charge or fund adviser fee deductions already made from your premium and/or your account.

This means that the refund you receive may be less than your premium. We will keep any realised investment gains.

22. How to contact us

For all account queries you can contact us in the following ways:

Phone: +44 (0) 333 015 1382

Email: focus@canadalifeint.com

Write to us at:

CLI Institutional Limited, Canada Life House,
Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ

Website: www.canadalife.co.uk

23. Notices

Our default methods of communication are by email or by post. You must give us a postal address and an email address.

Notices will be treated as having been received by you two business days after posting (excluding Sundays and bank holidays) or, where they are emailed, on the same day as we send the email.

24. Complaints

If you need to complain about any part of the service we have provided, please contact us, using the details in provision 22 (How to contact us). If you are not happy with our response, you can contact the Financial Services Ombudsman as follows:

Financial Services Ombudsman Scheme for the Isle of Man
Thie Slieau Whallian Foxdale Road
St John's Isle of Man IM4 3AS

Phone: +44 (0)1624 686500

Email: ombudsman@iomoft.gov.im

Website: www.gov.im/oft

Referring a complaint to the Ombudsman may preclude you from taking legal proceedings (not applicable to companies).

25. Misrepresentation

If any of the information submitted to us in respect of the account was inaccurate to the extent that, had accurate information been given to us at the time of the application we would not have issued the account at all, we reserve the right to terminate the account.

26. Changes to this agreement

We can make a change to this agreement where that change is:

- a) a proportionate response to changes to laws or regulations or decisions of the Isle of Man Financial Services Ombudsman, the Isle of Man Financial Services Authority or any other relevant legal or regulatory body;
- b) a proportionate response to a court order or decision affecting these policy provisions or the account;
- c) reasonably necessary to enable us to meet regulatory requirements;
- d) reasonably necessary for us to meet relevant industry guidance or codes of practice;
- e) reasonably necessary to reflect a change in our corporate structure;
- f) a proportionate response to changes in the terms or charges of any fund;
- g) a proportionate response to changes in relevant market rates or indices or tax rates;
- h) a proportionate response to other changes in the cost to us of providing the account;
- i) to provide for the introduction of new or improved systems, methods of operation, services, or facilities;
- j) to correct any mistake in the policy provisions, or to make them clearer;
- k) to reflect the appointment by us of alternative third parties to provide services in connection with the account; or
- l) to respond proportionately to changes in the terms and conditions or charges of any third parties appointed in connection with the account.

Where we make a change for one of these reasons that we believe may be to your disadvantage, we will tell you at least 30 days before we make the change unless it is not possible for us to do so, in which case we will tell you as soon as we can.

Where we make a change for one of these reasons that we believe will be to your advantage, we can make the change without telling you first, but will tell you as soon as practicable after making the change.

If you do not want to accept a change we make to the agreement, you can ask us to surrender your account in full. This instruction will end this agreement. We strongly recommend that you seek independent financial advice before surrendering the account to fully understand the consequences of this action.

27. Force majeure

We shall not be liable for any loss or damage of any kind suffered by you (or any other party interested in the account) because of any event or circumstance beyond our control.

Should such events have an impact on our ability to comply with these policy provisions, we will use due care and diligence when considering how to respond and we will ensure our response is fair and proportionate. We will not be liable or responsible for any failure or delay in performing any of our obligations described in these policy provisions because of such circumstances, but:

- we will use reasonable efforts to minimise any adverse impacts on you as far as reasonably possible; and
- we will tell you if you are being disadvantaged as soon as we can.

28. Law

This agreement between us is governed by and construed in accordance with Isle of Man law and the parties agree to submit to the non-exclusive jurisdiction of the Isle of Man courts as regards any claim or matter arising out of or in connection with this agreement.

This agreement does not confer any rights or benefits on any person or class of persons existing now or in the future who is not a party to them, except that a party's assignee or successor will be deemed to be a party to this agreement.

We are licensed by the Isle of Man Financial Services Authority.

We strongly encourage you to read the Data Protection Notice available on our website www.canadalife.co.uk

29. The Isle of Man Policyholders' Protection Scheme

If we are unable to meet our obligations to you, it is important for you to understand that this account is protected by the Isle of Man's Life Assurance (Compensation of Policyholders) Regulations 1991.

Under the Isle of Man's Life Assurance (Compensation of Policyholders) Regulations 1991, if we cannot meet our obligations to policyholders because we have become insolvent, the Isle of Man Financial Services Authority will pay you an amount of up to 90% of our liability under the account, from the Isle of Man Policyholders' Protection Scheme.

The Isle of Man Policyholders' Protection Scheme provides protection to all policyholders, no matter where they live.

The amount paid from the Isle of Man Policyholders' Protection Scheme would be paid from a levy on the assets of all authorised Isle of Man Life Assurance Companies who are solvent at the time. As a result, if we ever need to pay a levy to the Isle of Man Policyholders' Protection Scheme because of the insolvency of another authorised Isle of Man Life Assurance Company, we reserve the right to deduct an amount of no more than 2% of the account value at the time.

Further information regarding the Isle of Man Policyholders' Protection Scheme is available from the Isle of Man Financial Services Authority's website at www.iomfsa.im/regulated-sectors/life-insurance/policyholder-protection/

Definitions:

'account' refers to the group of identical unit-linked life assurance policies or capital redemption policies issued by us to you.

'account value' means the value of all the units allocated to the account plus any credit (or minus any debit) balances in the transaction account.

'agreement' means your application form, the schedule, these policy provisions, the key features document, any endorsements to the policy provisions and/or schedule issued by us, and any other document stated to form part of the agreement.

'anti- money laundering and counter-terrorist financing regulations' means a set of procedures, laws or regulations designed to stop (i) the process by which criminals attempt to conceal the true origin and ownership of the proceeds of criminal activities, and (ii) the funding of terrorist organisations and their activities including but not restricted to the Anti-Money Laundering and Countering the Financing of Terrorism Code 2019, the Anti-Terrorism and Crime Act 2003, the Proceeds of Crime Act 2008 and the Terrorism and Other Crime (Financial Restrictions) Act 2014.

'charges' mean the charges and fees that are payable in respect of the account. Full details are shown in the Elite and Prestige Accounts charges and fees document which is available on our website www.canadalife.co.uk.

'commencement date' means the date on which the account commences and is shown in the schedule.

'custodian' means a regulated entity which provides custody and safekeeping services.

'death benefit' means the amount payable by us in respect of each policy in accordance with provision 30 (Death benefit), following the death of the only or the last surviving life assured.

'discretionary fund manager' means a regulated third- party investment manager who will be nominated by you and appointed by us to manage a portfolio of permitted property linked to your account.

'endorsement' means an amendment to the policy provisions and/or schedule for your account which is issued by us.

'event or circumstance beyond our control' means any event or circumstance which is outside our control and causes unavoidable consequences, including, but not limited to, any one or more of an act of God, earthquake, storm, flood, lightning, fire, explosion or similar natural events; power failure; failure or disruption of a computer system or other equipment, including electronic mail systems and telecommunications; failure or disruption of any relevant stock exchange, including depositories, settlement systems or markets; strike, lockout, other industrial action or other interference with work; nationalisation, expropriation, prohibition, intervention, direction or embargo; imposition by any governmental or quasi- governmental authority of currency restrictions, exchange controls or other charges or restraints affecting this agreement; inability or delay in obtaining governmental or quasi- governmental approval, consent, permit, licence, authority or allocation; intervention by an exchange or regulator; or act of war (declared or undeclared), terrorism, insurrection, revolution, civil disturbance, riot, blockade or other disturbance.

'external fund' means a fund which holds permitted property falling within any of categories 2,3,4,5,7,8 and 9 listed in the table at section 520(2), ITTOIA 2005.

'external investment vehicle' means a legal entity, relationship, or arrangement whose shares, units or interests are permitted property and includes, where the context allows, cash deposits with building societies, banks or other deposit takers which are permitted property.

'financial adviser' means the introducing adviser who provided you with the advice to purchase the account at the outset and/or the financial adviser responsible for ongoing advice regarding the servicing of your account.

'fund' means a notional fund created by us in our books and records which holds or consists of permitted property.

'fund adviser' means an investment professional nominated by you and appointed by us who has the requisite regulatory approval to manage investments by giving instructions to us or a platform in respect of permitted property.

'internal-linked fund' means a fund which holds permitted property falling within category 1 in the table at section 520(2), ITTOIA 2005.

'ITTOIA 2005' means the Income Tax (Trading or Other Income) Act 2005 of the United Kingdom.

'life assured' means the person shown in the schedule whose life is assured under each policy. Where two or more lives are assured, we will pay the death benefit on the death of the last of the lives assured to die (joint life, last death), as stated in the schedule.

‘permitted property’ means an asset which:

- (a) falls within one or more of the categories of property listed in the table at section 520(2), ITTOIA 2005, and which meets one or both of the property selection conditions set out in section 521 of that Act (or would do so if you were selecting the relevant property); and
- (b) we are permitted to own under Isle of Man law and regulation; and
- (c) is acceptable to us

‘platform’ means a third-party investment service allowing online dealing in permitted property nominated by you and approved by us.

‘policy’ means any individual policy identified in the schedule which forms part of the account.

‘policyholder’ means the legal owner of the account.

‘premium’ refers to any payment made by you to the account, which is applied by us equally to each policy that makes up the account. The first premium paid to the account is the ‘initial premium’. Any further premium paid to the account is an ‘additional premium’. The amount of the premium applied to each policy is calculated by dividing the total premium paid by you as shown in the schedule by the number of policies then in force.

‘schedule’ means the document that sets out the details of the account and the policies that make up the account, to which these policy provisions apply.

‘transaction account’ refers to the multi-currency bank account maintained by us through which all cash transactions are made by us in respect of the account, including the payment of all charges and fees.

‘unit’ means the equal portions into which a fund is divided; however, some funds only have a single unit and so references to a ‘unit’ or to ‘units’ include, where the context requires, references to part of a unit.

‘we’, ‘our’ or ‘us’ means CLI Institutional Limited.

‘you’ or ‘your’ means the holder of the account and includes your administrators, executors, and assignees.

References to realising permitted property or investments include the redemption or sale of them.



CLI Institutional Limited, registered in the Isle of Man no. 108017C. Registered office: Canada Life House, Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ.
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