

# Delta Discounted Trust Account

## Policy Provisions

### 1. Definitions

**'Account'** refers to the group of individual Policies for which Schedules are attached and which are subject to these provisions.

**'Actuary'** means the actuary for the time being appointed to the Company under the provisions of the Insurance Act 2008.

**'Adviser Charge'** means a charge payable on behalf of the Policyholder (and not the First Policyholder) to a professional adviser (or the professional adviser's firm), in relation to the provision by that adviser (or that firm) of a personal recommendation in respect of the Policy (or any related service), and which is agreed between that adviser (or that firm) and the Policyholder (and not the First Policyholder).

**'Commencement Date'** means the date on which the Policy commences as shown in the Schedule.

**'Company'** means Canada Life International Limited.

**'First Policyholder'** means the person who has, or persons who jointly have, taken out the Policy and includes the survivor of them and where the context permits his or their nominee or bare trustee for the time being.

**'Fund(s)'** means any internal-linked fund created in the Company's Life Assurance Fund.

**'Policy'** means any individual policy for which a Schedule is attached and which is subject to these provisions.

**'Policyholder'** means the holder of the Policy and includes his administrators, executors and assigns.

**'Policy Year'** means a year commencing with the Commencement Date shown in the Schedule or any anniversary thereof.

**'Premium'** refers to the payment into the Policy as shown in the Schedule.

**'Registered Office'** means Canada Life House, Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ.

**'Schedule'** means the document which records details particular to the Policy details and which is a part of the Policy.

**'Units'** means units of a Fund.

**'Value of Units'** means the value of the Units allocated to the Policy.

### 2. Nature of the Account

The Delta Discounted Trust Account is a single premium whole of life assurance policy providing benefits linked to the value of Units in one or more of the Funds.

### 3. Contracts

Each Policy is written on the basis of the details given in the application form and any health questionnaire, medical statement or any other written statement which has been given to the Company by the Policyholder or the life or lives assured and is subject to these policy provisions. The application form, any health questionnaire, medical statement and any such other written statement form part of the contract between the Policyholder and the Company in respect of each Policy.

The Policy contains all relevant terms and conditions and the Company accepts liability solely in accordance with these terms. The Company shall not have any liability in respect of any alleged conditions, warranty, representation or statement whatsoever differing from these terms whether express or implied or whether collateral hereto or otherwise. No provision or condition of the Policy may be waived or modified except by an endorsement issued by the Company and signed by an authorised official thereof.

Where the context allows, the masculine shall include the feminine and the singular shall include the plural and vice versa. If a Policy is written in a non-sterling currency any amount stated in these policy provisions or the Schedule in pounds sterling will be deemed to include its equivalent in that currency at the exchange rate as advised to the Company by its bankers.

### 4. Unit Allocations

On the payment of the Premium and acceptance of the same by the Company there shall be allocated to the Policy the number of Units of a particular Fund obtained by dividing the proportion of the Premium appropriate to that Fund (as specified in writing prior to such allocation by the Policyholder) by the relevant price of the Units of that Fund. The relevant price shall be that on the Commencement Date or the next valuation date following the Commencement Date.

## 5. Unit Variation

The Policyholder may: a) following the advice received as agent of the Company; or b) on a self-advised basis, give written instructions to the Company to vary the proportions of Units of a Fund or Funds allocated to the Policy or in which future allocations will be calculated. The Company shall act in accordance with such terms (including the amount of any transaction fee) as may from time to time be laid down by the Company.

Subject to provision 6(d), any variation in existing allocations will be calculated as at the next valuation date following receipt of the instructions by the Company.

The relevant Units allocated to the Policy will be sold on the next valuation date and their value (reduced by any transaction fee) applied on the relevant valuation date to allocate Units of a different Fund or Funds to the Policy.

## 6. Funds, Units and Charges

### a. Funds and Units

Each of the Funds is a separate and identifiable Fund which falls within a standard menu of Funds offered by the Company and forms part of the Company's Life Assurance Fund. Each Fund's constituent investments are at the absolute discretion of the Company and the proportions in which they are maintained may be varied by the Company from time to time. Each of the Funds is divided into Units.

### b. Charges

There are two charging options available:

Option 1 and Option 2 – The Option selected by the Policyholder is included in the illustration.

#### Establishment Charge

Option 1 – On the establishment of the Account this charge will be calculated by the Company and will reflect the Company's establishment charge.

Option 2 – On the establishment of the Account this charge will be calculated by the Company and will reflect the Company's establishment charge. The charge will be met by cancelling sufficient Units allocated to the Policy for the period shown on days determined by the Company.

#### Administration Charge

The yearly administration charge is deducted from time to time by cancelling sufficient Units allocated to the Policy such that their cancellation value is equal to the charge. The amount of the yearly administration charge and the days on which it is deducted will be determined by the Company.

#### Fund Adviser Fee

Where the Policyholder has nominated and the Company has appointed a fund adviser and the Policyholder has instructed the Company to pay the fund adviser a fee from the Account for the investment management services supplied, the Company will deduct the fee from the Policy by cancelling sufficient Units allocated to the Policy such that their cancellation value is equal to the fee. The amount and frequency of the fee payable to the fund adviser is at the Company's discretion, and the days on which it is deducted will be determined by the Company.

### Adviser Charging

Where the Company agrees to facilitate the payment of an Adviser Charge after the Commencement Date, either on a one-off basis or on a regular basis and in accordance with the Policyholder's instructions, the agreed amount will be paid by cancelling sufficient Units allocated to the Policy such that their cancellation value is equal to the charge. The payment of an Adviser Charge will be regarded for UK income tax purposes as a partial surrender of the rights conferred by each Policy in the Account. The Company will not be responsible or liable for any adverse taxation consequences which may follow for the Policyholder or anyone else from paying any Adviser Charge.

### Third Party Charges

The Company shall not be liable for any third party charges incurred in the sale of Units, transmission of the Premium, withdrawals or claims proceeds. These costs will be borne by the Policyholder.

### c. Income and Expenses

The income from the investments of each Fund shall accrue to and form part of the Fund and all expenses and outgoings in respect of the investments (including costs of management, maintenance and valuation of real properties and mortgage interest and any other costs of borrowing) and tax, if any, shall be deducted from the Fund.

### d. Unit Prices and Fund Valuation

Unit prices and the value of each Fund on which they are based will be calculated on dates and with a frequency determined by the Company. The Unit price will be calculated on whatever basis the Actuary considers appropriate but will have regard to the value of the assets forming that Fund. In the case of real property, the value will have direct reference to valuations prepared and certified by independent valuers appointed by the Company, adjusted to take into account variations in property prices between such valuations. In the case of securities quoted on a recognised stock exchange the values will have regard to the latest market prices.

Where Units allocated to a Policy include those of a Fund containing real property then any Fund variation or surrender may be delayed by up to six months if in the Actuary's opinion this would be in the interests of Policyholders generally.

### e. General

The references to Funds and Units are made solely for the purpose of calculating benefits conferred under the Policy and neither the Policyholder nor any other person entitled to benefit shall have any legal or beneficial interest in the Funds or the Units or any underlying assets these being solely the property of the Company.

## 7. Taxes and Special Circumstances

- a.** If there is any change in the law or taxation which affects the Policy, or if the right of the Company to invest in any particular investment is altered for any reason, or if there is a change in circumstances which in the Actuary's opinion means it becomes impracticable or impossible for these provisions to be effective, then the provisions of and the benefits provided under the Policy may be varied by the Company in whatever way the Company considers fair and appropriate.

Similarly, should Units of any other type be issued in the Funds, the Actuary may vary the method of calculating the prices of the Units allocated to the Policy, but without reducing the value of the benefits under the Policy.

- b.** In calculating the value of the Fund, the Actuary will make due allowance for income received or accrued, for outgoings of whatever nature regarding the investments of the Fund, and for any actual or prospective contingent or other liability for taxation or any levy or charge or cost the Actuary considers relevant with particular regard to the Life Assurance (Compensation of Policyholders) Regulations 1991 and for the costs incurred in managing the Fund.
- c.** The Company reserves the right to sell from time to time some or all of the Units allocated to the Policy to meet any outstanding charges as provided in provision 6 without seeking or obtaining the prior consent of the Policyholder or any fund adviser.
- d.** Where Units allocated to a Policy include those of a Fund containing real property then any Fund variation or surrender may be delayed by up to six months if in the Actuary's opinion this would be in the interest of Policyholders generally.
- e.** The Company must be notified in writing of any change to the Policyholder's or the First Policyholder's permanent country of residence. Should this change to a country where legislation may mean that the Company is unable or unwilling to continue to provide benefits under the Policy to the Policyholder or the First Policyholder, the Company may cease to permit Unit variations and may terminate the Policy and pay an amount equal to the surrender benefit as described in provision 10 to the Policyholder.

## 8. Claims Provision

- a. Persons Entitled to Payment**  
Unless otherwise stated in the Schedule, the Policy is issued to the Policyholder and the benefits are payable to him or his administrators, executors or assigns.
- b. Claims Procedure**  
The Company will not pay any death or surrender benefit until it has received a duly completed claim or surrender form, proof of the claimant's title and, in the case of the death benefit, proof of the (or the last) life assured's death and age, together with any other documentation and information it may reasonably require all in an acceptable form.
- c. Place of Payment**  
All benefits are payable in the Isle of Man.

## 9. Death Benefit

Subject to provision 8(b), on the death of the life assured, or the death of the last to die if more than one, the Company shall pay an amount following receipt of written notification of death.

The amount shall be the Value of Units calculated at the next valuation date following receipt of written notification of death plus (in respect of the Account) £100, or currency equivalent, less the aggregate of any outstanding charges as provided in provision 6.

Notwithstanding anything to the contrary contained in these Policy Provisions, if any of the lives assured commit suicide during the first two Policy Years (or within two years of any revival of assurance) the liability of the Company under the Policy will be limited to an amount equal to the surrender benefit as described in provision 10.

## 10. Surrender Benefit

The Policy may not be surrendered during the lifetime of the First Policyholder.

Following the death of the First Policyholder, the Policyholder may surrender the Policy, on the following terms: subject to provision 8(b), on receipt from the Policyholder of a request to surrender the Policy in full, the Company shall pay an amount equal to the Value of Units calculated at the next valuation date reduced by the aggregate of any outstanding charges as provided in provision 6. The surrender request must be in writing on the form supplied by the Company.

## 11. Single Partial Surrender Benefit (Single withdrawal)

The single partial surrender benefit is a cash benefit which, subject as provided below, the Company may provide to the Policyholder following the death of the First Policyholder.

The single partial surrender benefit must be claimed by the Policyholder on the appropriate form, which will be supplied by the Company on request. Once the Company has accepted the amount of the single partial surrender benefit so claimed by the Policyholder, the Company will pay the amount due as follows. The Company will determine the Value of Units on the next valuation date and having done so will cancel sufficient Units equally from each Policy in force to confer the single partial surrender benefit. The payment of the single partial surrender benefit may be subject to delay if the Value of Units cannot be determined accurately on the relevant valuation date.

## 12. Regular Partial Surrender Benefit (Regular withdrawals)

The regular partial surrender benefit is a cash benefit which, subject as provided below, the Company may provide to the First Policyholder at yearly, half yearly, quarterly or monthly intervals.

The regular partial surrender benefit is claimed by the First Policyholder on the application form.

The Company will pay the amounts due as follows. The Company will determine the Value of Units, as reduced by the aggregate of any outstanding charges as provided in provision 6, on the valuation date immediately preceding the date of payment. Having done so, the Company will cancel sufficient Units equally from each Policy in force to confer the regular partial surrender benefit. The payment of the regular partial surrender benefit may be subject to delay if the Value of Units cannot be determined accurately on the relevant valuation date.

Once established the amount or frequency of the regular partial surrender benefit cannot be varied. The regular partial surrender benefit will cease to be payable by the Company on the earlier of the death of the First Policyholder or the Value of Units, as reduced by the aggregate of any such outstanding charges, being nil.

## 13. General

### a. Premium

The Premium payable under the Policy shall be paid to the Company in the Isle of Man by a method acceptable to the Company.

The Premium is due on the Commencement Date. No additional premiums may be paid at any time after the Commencement Date.

### b. Notices

All written notifications, information, notices and requests to the Company shall be supplied to the Company in a form acceptable to it at its Registered Office or such other place as the Company shall appoint.

### c. Assignments

All notices of assignment affecting the title to the Policy must be given to the Company at its Registered Office or such other place as the Company shall from time to time appoint and must state the date and purpose of the assignment. No agent of the Company is authorised to receive, acknowledge or transmit any notice of assignment. The title to the Policy may only be assigned in whole and not in part.

### d. Age of the life assured

If the age of the life assured (or the age of any or all the lives assured if more than one) is incorrectly stated in the application form or in the Policy, the terms shall be adjusted by the Actuary to such terms as would be appropriate having regard to the true age or ages.

## 14. Law

a. These provisions shall be 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 these provisions.

b. These provisions do not, by virtue of the Contracts (Rights of Third Parties) Act 2001 or otherwise, confer any rights or benefits on any person or class of persons existing now or in the future, who is not a party to it except that a party's assignee or successor will be deemed to be a party to these provisions.

