



Offshore Savings Account

Policy Provisions

1. Definitions and Interpretation

Throughout these provisions and any subsequent Endorsement, any reference to 'we', 'us', or 'our' means Canada Life International Limited. References to 'you' or 'your' means the policyholder(s) as shown in the Schedule or the trustees named in any applicable trust deed; or any person to whom you have transferred the Policy under an applicable deed of assignment.

All other words and phrases which start with a capital letter are defined terms and their meaning is shown:

- in these provisions; or
- in the Schedule(s); or
- in any Endorsement.

We have written the provisions in the singular. When required, the singular will include the plural and vice versa.

'Adviser Charge' means, where applicable, the fee charged by a professional adviser in relation to the Fund or the Policies or any other advice or service provided which has been arranged in advance with your professional adviser. Any deductions to meet an adviser charge will be administered as a partial surrender benefit.

'Commencement Date' means the date on which Units are purchased and the Policy commences as shown in the Schedule.

'Company' means Canada Life International Limited.

'Due Date' means the first and each subsequent monthly or yearly period starting from the Commencement Date.

'Endorsement' means a written record of any change to the Policy.

'Fund(s)' means any Fund created in our life assurance Fund. Each Fund represents a group of investments held by us and is divided into Units representing shares in the investments of each Fund.

'Issue Date' means the date on which the Policy and Schedule, along with any other relevant documents, are issued as shown in the Schedule.

'Minimum Contribution Period' means a period of three years.

'Policy' means these provisions, the application form, any Endorsement, the Schedule and any other documents specified in the Schedule. Any individual Policy referred to in the Schedule is a Policy for the purposes of the provisions.

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

'Regular Premiums' means any recurring Single Premiums you pay to us. Regular Premiums are to be paid monthly or yearly as selected by you when applying for the Policy.

'Schedule' means the document which records all details of the individual contract.

'Single Premiums' means any Single Premium you elect to pay to us.

'Units' means the units in the Fund allocated to the Policy in respect of Regular Premiums and Single Premiums paid.

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

2. Nature of the Offshore Savings Account

The Offshore Savings Account is a Regular Premium whole of life assurance Policy providing benefits linked to the Value of Units in one or more of the Funds.

3. General Terms

3.1 Contract

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 London Exchange Rate as advised to the Company by its bankers.

3.2 Altering the Policy

If there is a change in law, taxation, regulation or guidance that affects our industry so that:

- our investment rights and powers are limited or removed; or
- it becomes unreasonable or impossible to carry out the provisions of this Policy; or
- the basis of taxation which applies to us or this Policy is changed; or
- any existing taxes, charges or levies are changed, or any new taxes, charges or levies are imposed;

then we may change the terms and benefits of the Policy to take account of the changed circumstances. If we have to change the terms and benefits of the Policy we will send an Endorsement.

3.3 Claims Procedure

Once you have sent us all the documents we need to confirm your claim we will pay the benefit under this Policy. Examples of documents we can ask for are as follows:

- the relevant claim forms supplied by us which must be fully completed and signed;
- the Schedule and any Endorsement;
- the original death certificate or Registrar's certified copy (in the event of a death claim).

We may ask for further documents to confirm your claim.

All original documents sent by you to us will be returned.

We need written notification of the death of the life assured or the death of the last to die if more than one, to review the Policy and stop Premium collections.

3.4 Law and Currency

Isle of Man Law applies to this Policy. If you decide to apply to any court to resolve a

dispute in connection with the Policy you may only start your proceedings in a court within the Isle of Man.

All benefits and charges under these provisions are denominated in the currency selected for the Policy.

3.5 Communication

You may contact us by:

- writing to Customer Support at our registered office; Canada Life International Limited, Canada Life House, Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ; or
- emailing customer.support@canadalifeint.com; or
- faxing +44 (0) 1624 820201; or
- telephoning +44 (0) 1624 820200.

The sending of documents is at your own risk. As such, you may want to send important documents by recorded or registered post.

Written communications will be sent to your last known postal address. We will regard them as having been received by you within five days of posting.

We can only act on communications we receive.

We will write and tell you if our address changes. You must write and tell us if your address changes.

3.6 Assignments

If you transfer the ownership of your Policy to another person, we will only register the transfer if you provide the relevant documentation. We will note the transfer on our records, but you are responsible for making sure that the transfer has been successful.

3.7 Policy Rights

Only you or we may exercise any of the rights found within the Policy. This means that the Isle of Man Contracts (Rights of Third Parties) Act 2001 does not apply to the Policy.

3.8 Mis-statement of Age and Proof of Age

If the age of any Life Assured has been mis-stated on the application form then the Policy shall be subject to such amendment as is just and reasonable.

We may ask to see satisfactory proof of age of any Life Assured.

3.9 Re-numbering of the Policy

We reserve the right to re-number any Policy for administrative reasons. If we do this we will tell you first.

3.10 Exceptional Circumstances

We reserve the right not to implement any of the provisions if, during the term of the Policy, this becomes impossible or impractical as a result of legislation or otherwise.

3.11 Taxation and Special Circumstances

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

We may vary the method of calculating the prices of the Units allocated to the Policy if any other types of Units are issued in the Funds. This will not reduce the value of the benefits under the Policy.

When calculating the value of any Fund, we will take account of income received or accrued, and any outgoings of whatever nature regarding the investments of the Fund. We will also account for any actual, prospective, contingent or other liability for taxation or any levy or charge or cost we consider relevant (with particular regard to the Financial Supervision Act 1988 Life Assurance (Compensation of Policyholders) Regulations 1991) and for the costs incurred in managing the Fund.

4. Premiums

4.1 Single Premiums

You can pay Single Premiums to this Policy while it is in force. Each such Single Premium must be £7,500 or more. We have the right to change the minimum amount we are willing to accept.

4.2 Regular Premiums

You can pay Regular Premiums to this Policy while it is in force. Each such Regular Premium must be £500 or more each month or £6,000 or more each year. We have the right to change the minimum amounts we are willing to accept.

Regular Premiums are payable, by direct debit, in advance, monthly or yearly unless another payment method is agreed in advance by us. Regular Premiums are payable from the Policy Commencement Date.

4.2.1 Stopping Regular Premiums

You can stop paying your Regular Premiums at any time. However, we will continue to take the establishment charge as specified in provision 7.1 for the remainder of the Minimum Contribution Period if you stop paying your Regular Premiums during the Minimum Contribution Period. On receiving your request we will stop collecting your Regular Premiums from the next Due Date.

When you want to stop paying your Regular Premiums you must write and tell us. You must sign the request and it must be received at our registered office at least 15 days before the next Due Date.

4.2.2 Decreasing Regular Premiums

You can ask us to decrease your Regular Premiums after the end of the Minimum Contribution Period. The decrease will start on the next Due Date after we receive your request. All requests to decrease the Regular Premium are subject to the minimum amounts stated in provision 4.2.

When you want to increase or decrease your Regular Premiums you must write and tell us. You must sign the request and it must be received at our registered office at least 15 days before the next Due Date. You may increase your Regular Premium at any time.

4.2.3 Frequency of Regular Premiums

You can ask us to change the frequency of your Regular Premiums after the end of the Minimum Contribution Period. The change of frequency will start on the next Due Date after we receive your request. All requests to change the frequency are subject to the minimum amounts stated in provision 4.2.

When you want to change the frequency of the Regular Premiums you must write and tell us. You must sign the request and it must be received at our registered office at least 15 days before the next Due Date.

4.2.4 Outstanding Regular Premiums

You have 28 days from the Due Date of each Regular Premium to pay it. If it is not paid within 28 days of the Due Date the Policy will stay in force (subject to provision 1.1 Minimum Residual Value) and the Value of the Units will remain on the Policy. We will not ask for any further Regular Premiums from you.

4.3 Unit Allocation

Each premium you pay (the 'Premium') will be used to buy Units in your chosen Funds. The number of Units allocated to the Policy will be your Premium divided by the Unit price at the valuation date on, or immediately following, the Premium due date, or the Premium receipt date if later.

4.4 Deduction of Units

We will deduct Units from your Policy on a monthly basis from the Policy Commencement Date for the duration of the Minimum Contribution Period to cover the establishment charges.

If you ask us to pay an Adviser Charge to your professional adviser or fund adviser then the appropriate amount will be deducted by cancelling sufficient Units from your Policy to pay for this when it becomes due.

If you authorise your fund adviser to receive a fund adviser fee then we will deduct Units from your Policy to pay for this when it becomes due.

5. Funds and Units

5.1 Valuation of the Funds

We will calculate the value of each Fund on each working day. Where it is not possible to value a Fund on a particular working day, it will be valued on the next practical working day.

When we value a Fund we will:

- allow for the value of all its assets and liabilities;
- add its investment income;
- deduct any tax on its investment income; and
- deduct all expenses and payments in connection with its investments.

The expenses and payments include, but are not limited to, management, investment management and any borrowing costs.

An amount may be taken from the Funds to cover our actual or potential liability to income tax or any other tax or levy which relates to the Fund.

We do not provide you with tax advice. Please seek your own personal tax advice in relation to your Policy.

5.2 How we calculate the Net Asset Value of each Fund

5.2.1 We will calculate the net asset value of each Fund using the value of the Fund's assets adjusted by a suitable amount to cover all of the costs of buying and/or selling the Fund's investments. We will then deduct all liabilities and provisions in respect of the investments.

5.2.2 The Value of each Unit shall be calculated by dividing the value of the Fund, as determined under provision 5.1, by the number of Units in issue of that Fund at the time of the valuation.

5.3 How the Funds work

Each Fund is divided into Units and we may create or cancel Units. Each Unit is a notional share of the Fund. The references to the Funds and Units are made solely to work out the benefits given by the Policy. No one entitled to benefits under a Policy will have any rights whatsoever to the Funds or to any of the assets the Funds hold. These will always remain our property.

5.4 Fund Closure

We may close or combine Funds. If we do this, we will replace all of the existing Units of that Fund with Units in a different Fund that has similar characteristics where this is possible.

Where the Policy holds Units in the Fund to be closed or combined, we will tell you at least 30 days before we close or combine that Fund, providing we have received sufficient notice from the manager of the underlying assets into which the Fund invests. We will also give you information on the new Fund to which future Premiums will be allocated together with details of all the Funds available to you within our range at that time.

5.5 How Units are allocated to the Policy

5.5.1 Units of the Fund selected by you shall be allocated to the Policy at a rate of 100% of each Premium paid. We will add this number of Units from your chosen Fund to the Policy. The number of Units added to the Policy is worked out to the next lower 1/1000th of a Unit.

5.5.2 The number of Units added to the Policy is worked out using the formula below: 100% of each Premium multiplied by your chosen percentage of each Premium to be invested in your chosen Fund divided by the Value of each Unit (see 5.2.2) of the Fund on the date the Premium is allocated to the Policy.

5.5.3 The chosen percentage referred to in 5.5.2 above may be changed by you by advising us in writing subject to a maximum of ten Funds being held at any time.

6. Fund Switching

6.1 General Information about Fund Switching

You can switch (exchange) some or all of the Units held in the Policy in any Fund for Units in a different Fund subject to a maximum of 10 Funds being held. All requests to switch must be made in writing and signed by you and received by us at our registered office.

The Value of the Units being switched out of a Fund and the Value of the Units left in that Fund after the switch has been carried out must not be below a minimum level specified by us. Otherwise we can refuse to carry out your request to switch. The specified minimum level can change and you can contact us to find out what it is before you send us your request to switch.

6.2 Charge for Switching

There is currently no charge made for Fund switches.

We may introduce a Fund switch charge in the future if the expense of dealing with Fund switching requests generally increases. We will write and tell you before introducing this charge. If a Fund switch charge is to be taken from the Policy it is taken by deducting Units from the Policy.

6.3 How we carry out a Fund Switch

If we carry out your request to switch, it will take place on the next valuation date of the Funds after we receive your request.

On the valuation date we will:

- calculate the Value of the Units in the original Funds;
- deduct any Fund switch charge (see provision 6.2) from that value;
- divide the result by the bid prices of the new Funds you have chosen in order to calculate the number of Units you will have in the new Funds;

- cancel the Units held in the original Funds; and
- replace them with the calculated number of Units in the new Funds.

The number of Units in the new Funds are worked out to the next lower 1/1000th of a Unit.

6.4 Special Circumstances in which we may delay Switching

We may delay carrying out your request to switch if you have chosen any Units in any Fund which cannot be sold or purchased.

7. Policy Charges

7.1 Establishment Charge

The establishment charge is 1.25% of each Premium payable which is deducted monthly for a period of one year.

When the Minimum Contribution Period has ended, the establishment charge is taken by deduction of Units as each Regular or Single Premium is paid by you.

7.2 Fund Adviser Fee

Where the Policyholder has agreed a fee for fund advice, the agreed amount can be deducted from the Account by cancelling sufficient Units allocated to the Policy on days determined by the Company and paid as a fee to the fund adviser.

7.3 Adviser Charge

Where the Policyholder has asked the Company to pay an adviser charge to the professional adviser, the appropriate amount may be deducted from the Account by cancelling sufficient Units allocated to the Policy on days determined by the Company and paid to the professional adviser.

7.4 Administration Charge

There is currently no charge made by us for administering your Policy.

We may introduce an administration charge in the future if the expense of administering your Policy increases. We will write and tell you before introducing this charge.

7.5 Third Party Charges

We shall not be liable to or for any third party charges incurred in the sale of Units, transmission of the Premium, partial surrender or claims proceeds. These costs will be borne by you.

8. Partial Surrender Benefit (Single and Regular Withdrawals)

The Policy may be surrendered in part on either a one-off basis or a regular basis.

Regular partial surrenders will be permitted monthly, quarterly, half-yearly or yearly once the Minimum Contribution Period has ended. Partial surrenders will be taken equally across all of your Policies.

We may delay carrying out your request to partially surrender some or all of your Policies if you have chosen any Units in any Fund which cannot be sold.

The minimum amount for a regular partial surrender is £100.

The minimum amount for a one off partial surrender is £100.

9. Full Surrender Benefit

You can ask us to totally surrender the Policy at any time.

Once we have received your signed written request we will pay a sum equal to the Value of the Units at the next valuation date less any outstanding establishment charges.

When this benefit is paid, the Policy will end and no further benefits will be payable.

We may delay carrying out your request to totally surrender the Policy if you have chosen any Units in any Fund which cannot be sold.

10. Death Benefit

Subject to provision 3.3, on the death of the Life Assured, or the death of the last to die if more than one, the amount payable will be equal to £100 plus the Value of Units less any outstanding establishment charges at the next valuation date of the Funds following receipt of written notification of death.

The payment of any death benefit will be delayed if we cannot accurately calculate the prices of some or all of the Units allocated to your Policy.

11. Minimum Residual Value

The value of the Policy less any outstanding establishment charges must at all times be worth a minimum of £1,000. If it is not, we reserve the right to cancel the Policy and pay the surrender value of the Policies to you.

12. Change of Country of Residence

We must be notified in writing of any change to your permanent country of residence. Should this change be to a country where legislation may mean that we are unable to continue to receive Premiums into the Policy (for example the United States of America), you will no longer be able to pay any Premiums into your Policy (including additional investments) or switch funds. You may also be required to surrender your Policy.

13. Liability

If the Company has any assets representing part or all of the Fund of any Account held with, or invested in, an entity which fails, defaults or enters insolvency or a similar procedure (a '**Defaulting Third Party**'), the right of the Company to share or partake in any compensation scheme applicable to that Defaulting Third Party is likely to be limited to that of one customer of the Defaulting Party regardless of how many Policyholders of the Company had relevant Funds (or assets within such Funds) invested in or held with that Defaulting Third Party.

The Company shall have no liability to the Policyholder (or any other party interested in the Account) for any loss suffered by them, the Account or the Fund which is caused directly or indirectly by 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 or any asset or investment in the Fund, professional adviser or other relevant party and whether the loss arises from a loss of funds, assets, title documents or otherwise.

The Company shall not be liable for any loss or damage of any kind suffered by the Policyholder (or any other party interested in the Account) as a result of any event outside the Company's control (for example, but without limitation, an agent or third party failing to act on instructions, interruption or delay in the performance of contractual obligations caused by strike, industrial action, systems failure or terrorism).

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.



Canada Life
International

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