



HANSARD
INTERNATIONAL

CONTRACT TERMS AND CONDITIONS



Universal Personal Portfolio - Option Z8 capital redemption

A unit-linked single contribution capital redemption contract



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Contract Terms and Conditions

These Contract Terms and Conditions must be read in conjunction with the Contract Certificate and Schedule One.

Please read these Contract Terms and Conditions carefully to ensure that you have a full understanding of the Contract that you have selected.

Throughout this document, any statements that refer to "the Company", "us", "we" and "our" mean Hansard International Limited. Any statements that refer to "you" and "your" mean the Contract Holder.

1. Parties to the Contract

We shall pay to you the benefits provided by the Contract subject to the terms and conditions set out below.

1.1 The Contract shall consist of the following:

- 1.1.1 the application form signed by you; and
- 1.1.2 the Contract Certificate; and
- 1.1.3 these Contract Terms and Conditions and any endorsement or Schedule One attached; and
- 1.1.4 any further information which you supplied or authorised the provision of in response to a request by us.

2. Definitions and interpretation

2.1 **Appointed Actuary** means the Company officer who has legal responsibilities concerning the sound and prudent financial management of the Company. The Appointed Actuary also has a professional duty to consider the interests of all Contract Holders.

2.2 **Bid Price** means the price at which are Units are allocated, valued or cancelled to pay benefits or to deduct charges and is calculated in accordance with Clause 8.

2.3 **Commencement Date** means the date on which the Contract commenced and which may be different from the Date of Issue. This date is shown on your Contract Certificate.

Contract Certificate means any Contract Certificate issued by us and made part of this document. If more than one Contract Certificate is so issued, then each one shall, when taken in conjunction with these Contract Terms and Conditions, form a separate Contract for the purposes of this document.

2.5 **Contract Holder** means the person(s) so described in the Contract Certificate and shall include the Contract Holder's successors, assigns or personal representatives.

2.6 **Contract Value** means the value of all Units allocated to this Contract at their Bid Price on the next Valuation Day after the day or event in respect of which it is necessary to establish the Contract Value.

2.7 **Contract Year** means any period of 12 months commencing on the Commencement Date or any anniversary.

2.8 **Contribution** means any monies applied in payment under this Contract or the monetary value of any existing investments transferred to the Personal Fund of this Contract. The minimum amount of additional Contribution currently acceptable by us is given in Schedule One to this Contract.

2.9 **Contribution Remaining Allocated (CRA)** means, initially, the original Contribution invested in the Contract. The CRA will only change if you pay an additional Contribution or you make a withdrawal from the Contract. If you pay an additional Contribution, the CRA will increase by an amount equal to the additional Contribution. If you make a withdrawal, the CRA will decrease to an amount determined by multiplying the existing CRA by the Contract Value immediately after the withdrawal and dividing the result by the Contract Value immediately before the withdrawal.

2.10 **Date of Issue** means the date on which the Contract was issued. This date is shown on your Contract Certificate.

2.11 **Nominated Beneficiary** means a beneficiary nominated by the Contract Holder to receive the Benefit subject to the provisions of Clause 19.

2.12 **Maturity Benefit** means the sum payable at the end of the Contract term.

2.13 **Personal Fund** means an investment fund, other than a Hansard International Limited Unit Fund, created by us solely for the purpose of holding assets, cash or other property acceptable to us in connection with the Contract. The Personal Fund is set up and operated in accordance with the terms of Clauses 5.4 and 5.6. It can contain Units from a Hansard International Limited Unit Fund as described in Clause 5.7.

2.14 **Service Charge** means a charge made by us in respect of this Contract each year. The amount of the charge is given in Schedule One. The charge is payable at quarterly intervals by deduction of Units in accordance with the provisions of Clause 10.

2.15 **Surrender Charge** means a charge made by us when Units under the Contract are cancelled for the purpose of withdrawal or full surrender of the Contract, in accordance with the provisions of Clause 11.

2.16 **Surrender Value** means the amount for which the Contract Holder may surrender the Contract as calculated in accordance with Clause 15.

2.17 **Unit Fund(s)** means the assets, cash or other property held by us at any given time under the name of a specific Hansard International Limited Unit Fund and/or the Personal Fund. The value of these is used to calculate the benefits under the Contract. The Personal Fund may hold investments in Hansard International Limited Unit Funds (see also the definition of the Personal Fund). Each Unit Fund is set up and operated in accordance with the terms of Clause 5.

2.18 **Units** mean accumulator units, being the proportionate parts of each Unit Fund, used to express the extent to which individual Contracts share in the total value of a Unit Fund, as required under Clause 5.

2.19 **Valuation Day** means a day chosen by us for the purpose of calculating the Bid Prices of Units. The interval between one Valuation Day and the next will not usually be more than one calendar month.

3. Contract Holder information

3.1 The Contract's progress can be monitored by using an OnLine Account. The OnLine Account enables you to view key information, including valuation reports, at no additional cost via our secure internet facility. We can also send valuation reports to you on request for a charge as shown in Schedule One.

4. Limitation of powers of the company's personnel and third parties

4.1 Our employees are not under any circumstances empowered or authorised to complete or alter or amend an application form or any other document related to this Contract on behalf of the Contract Holder. Each such document must be completed by the individual stipulated on the document or by a person authorised in writing by that individual to do so.

4.2 If a third party has completed any document relating to this Contract, that third party will be regarded by us as having been so authorised by the individual concerned.

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5. Unit Funds

- 5.1 The allocation of Units in the Unit Funds is used solely for the purpose of calculating benefits under this Contract and other Contracts issued by us.
- 5.2 All Units in respect of Hansard International Limited Unit Funds allocated in respect of Contributions made under this Contract will be accumulator units.
- 5.3 The Personal Fund is divided into equal shares represented by accumulator units.
- 5.4 The Personal Fund
- 5.4.1 Assets may be placed in the Personal Fund by way of a cash Contribution to the Contract advising us of the assets you wish us to purchase and hold within the Personal Fund. Alternatively, you may arrange for the legal title of existing assets to be transferred to us, so that we may then hold them within the Personal Fund.
- 5.4.2 At any time, you or your appointed advisor may instruct us to sell assets linked to the Personal Fund and to apply the resulting proceeds, or part, to the purchase of other assets to be linked to the Personal Fund or to the purchase of Units in a Hansard International Limited Unit Fund.
- 5.4.3 Each sale and each purchase of an asset will incur a dealing charge, the amount of which is given in Schedule One.
- 5.5 Hansard International Limited Unit Funds
- 5.5.1 Hansard International Limited offers a range of Unit Funds, and the value of the Units in these Hansard International Limited Unit Funds is used to calculate the benefits payable under the Contract and other Contracts issued by us.
- 5.5.2 We reserve the right to close individual Hansard International Limited Unit Funds either completely or to future new Contract Holders. In the former case, we will offer the Contract Holder an alternative. We may also establish new Hansard International Limited Unit Funds from time to time.
- 5.6 Constitution of the Personal Fund
- 5.6.1 The Personal Fund will consist of monies and assets linked to the Personal Fund, together with the reinvested interest, dividends, capital, profits or other distributions (less any tax) relating to the existing assets linked to the Personal Fund.
- 5.6.2 Subject to our prevailing asset acceptability criteria, which are available on request, a wide range of asset categories can be linked to this Contract, including unit trusts, deposits, equities, fixed interest securities and Hansard International Limited Unit Funds. Acceptable assets must be marketable and liquid. The minimum amount per asset is given in Schedule One.
- 5.6.3 Where part of the monies in the Personal Fund is invested in a Hansard International Limited Unit Fund, the annual management charge applied on the Personal Fund referred to in Clause 10.6.2 will apply to that part but will be reduced by the method described in Clause 10.6.3 to take account of the annual management charge applicable to Hansard International Limited Funds within the unit price and therefore avoid double charging.
- 5.6.4 At the time that Units of the Personal Fund are created, we will transfer an amount equal in value to the number of additional Units so created, multiplied by the unrounded Bid Price of an existing Unit, to the Personal Fund.
- Similarly, at the time that Units of the Personal Fund are cancelled, we will transfer an amount equal in value to the number of Units cancelled, multiplied by the unrounded Bid Price of an existing Unit, from the Personal Fund.
- 5.6.5 We will add all interest, dividends or other distributions arising out of the assets linked to the Personal Fund (net of any tax deducted or payable, as appropriate) to that Personal Fund.
- 5.6.6 We will deduct from the Personal Fund all costs, expenses and fiscal charges incurred in the management and safekeeping of the Personal Fund, including our annual management charge and Service Charge. The annual management charge and Service Charge are payable at quarterly intervals at the rate given in Schedule One.
- 5.6.7 We will not add money to or deduct money from the Personal Fund in any way except to the extent described in these Contract Terms and Conditions.
- 5.6.8 We have the power to delegate all or any of our powers under this Contract to any person on such terms as we consider to be appropriate in order to operate this Contract in a manner we consider to be in your best interests.
- 5.7 Constitution, income and expenses of the Hansard International Limited Unit Funds
- 5.7.1 Each Hansard International Limited Unit Fund will consist of those assets, cash or other property which we, from time to time, designate as forming part of that Unit Fund together with the re-invested interest, dividends, capital profits or other distributions arising from those assets. All interest, dividends or other distributions arising out of the assets of each Unit Fund (net of any tax deducted or payable as appropriate) will accrue to and form part of each respective Unit Fund.
- 5.7.2 At the time that Units of a Hansard International Limited Unit Fund are created, we will transfer an amount equal in value to the number of additional Units so created, multiplied by the unrounded Bid Price of an existing Unit, to that Hansard International Limited Unit Fund. Similarly, at the time that Units of the Hansard International Limited Unit Fund are cancelled, we will transfer an amount equal in value to the number of Units cancelled, multiplied by the unrounded Bid Price of an existing Unit, from that Hansard International Limited Unit Fund.
- 5.7.3 The value of a Unit Fund reflects the charges inherent in the asset itself and any charges levied by external managers, over which we may have no control. As a result, they may change at any time without notice. These charges are reflected in the quoted unit price.
- 5.7.4 We are entitled to pay out of each Unit Fund all fiscal charges, management costs, administration costs, marketing costs and expenses in respect of that Unit Fund including charges for custodians and trustees.
- 5.7.5 The annual management charges on the Hansard International Limited Unit Funds set out in Schedule One are deducted from the Unit Funds and hence are reflected in the quoted Unit Prices.
- 5.7.6 We will not add money to or deduct money from a Hansard International Limited Unit Fund in any way except to the extent described in these Contract Terms and Conditions.

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- 5.7.7 We have the power to borrow money in any currency at any time for the purpose of operating a Hansard International Limited Unit Fund and to mortgage or otherwise charge all or any of the assets of the Hansard International Limited Unit Fund as security for such borrowing.
- 5.7.8 We have the power to delegate all or any of our powers under this Contract to any person on such terms as we consider to be appropriate in order to operate this Contract in your best interests.

6. Value of a Unit Fund

- 6.1 The value of a Unit Fund is calculated by us at a time of our choosing and takes into account:
- 6.1.1 deductions of all outgoings relating to the assets linked to the Unit Fund, including any mortgages, overdrafts, allowable expenses and charges, including the annual management charge, and such provisions for any actual or potential liability for taxes as we consider appropriate; and
- 6.1.2 additions for income from the assets linked to the Unit Fund net of any tax deducted or payable.
- 6.2 The value of assets linked to the Unit Fund which are quoted on a recognised stock exchange will be determined by reference to the market dealing prices quoted for that investment.
- 6.3 The value of any other assets in the Unit Fund will be determined by us in such manner as we consider appropriate depending on the nature of the investment. The value of assets linked to a Unit Fund where market prices are provided by a nominated manager will be determined by reference to these prices.
- 6.4 The frequency of valuation will be determined by us but a valuation will normally be made at least once in each calendar month.
- 6.5 The purpose of the valuation is to determine the appropriate Bid Price.

7. Allocation of Units to the Contract

- 7.1 The Personal Fund
- 7.1.1 The amount to be applied to the acquisition of notional units in the Personal Fund is the Contribution. We will apply the first Contribution at the Bid Price of the Units on the next Valuation Day following the Commencement Date of this Contract. We will apply each subsequent Contribution on the next Valuation Day following its receipt by us.
- 7.1.2 For the avoidance of doubt, if the Personal Fund invests in a Hansard International Limited Unit Fund, accumulator Units in that Hansard International Limited Unit Fund will be allocated in accordance with these Contract Terms and Conditions and will constitute an investment within the Personal Fund.
- 7.2 Hansard International Limited Unit Funds
- 7.2.1 If Hansard International Limited Unit Funds are to be acquired as an asset within the Personal Fund, we will apply the amount stipulated by you for their acquisition at the Bid Price of the Units on the next Valuation Day following receipt of your instructions.
- 7.2.2 Hansard International Limited Unit Funds are notional units used solely for the purpose of calculating the value of your participation in the Fund. We will only allocate Hansard International Limited Unit Funds in respect of and subject to the Contract Terms and Conditions of a Contract issued by us. Consequently, they cannot be held outside such a Contract.

8. Price of a Unit

- 8.1 We will calculate the Bid Price of each class of a Unit in a Unit Fund on each Valuation Day.
- 8.2 We will calculate the minimum Bid Price of a Unit by the value of the underlying assets of the Unit Fund at the market dealing bid price, less the costs of realising the assets of the Unit Fund divided by the number of Units in the Unit Fund, the result being decreased by not more than 1%.
- 8.3 We will calculate the maximum Bid Price of a Unit by the value of the underlying assets of the Unit Fund at the market dealing offer price, increased by the cost of acquiring the assets of the Units in the Unit Fund, the result being increase by not more than 1%.
- 8.4 The Bid Price applying on a given Valuation Day will be between the minimum and maximum allowed by these Contract Terms and Conditions, with due allowance for the prospects of the Unit Fund (whether it is expanding or contracting), equity and the need for pricing to be administratively smooth. In cases where a Bid Price cannot be determined to meet these criteria, we reserve the right to defer the calculation until an appropriate Bid Price can be so determined.

9. Switching

- 9.1 Switching from a Hansard International Limited Unit Fund
- 9.1.1 You may choose, at any time whilst this Contract is in force, to change the selected Hansard International Limited Unit Fund(s) by written notice to us, or by any other method of notice previously agreed by you with us. The relevant date of the change will be the next Valuation Day following the date on which we receive clear and precise written instructions from you and consent to your choice. We will only withhold our consent to your choice if the provisions of Clause 12 apply.
- On the relevant date, we will cancel the Units to be changed and the net value of these Units will be applied to the acquisition of Units in the Hansard International Limited Unit Fund(s) you have specified. Should you so instruct us, some or all of the proceeds of the cancellation of Units to be changed may be added to the Personal Fund and subsequently applied to the purchase of an asset in accordance with the provisions of Clause 9.2.2.
- 9.1.2 The number of Units to be allocated will be calculated by dividing the net value of the cancelled Units by the Bid Price of the replacement Units. The amount of dealing charge, which applies in respect of each Hansard International Limited Unit Fund switched out of and switched into, is given in Schedule One and will be deducted at the next quarterly charging date.
- 9.1.3 All cancellations of Units and acquisitions of replacement Units made under this Clause will be calculated at the Bid Prices of the Units at the next Valuation Day following the date on which we agree to your choice.
- 9.2 Switching other assets linked to the Personal Fund
- 9.2.1 You may choose, at any time whilst this Contract is in force, to change the assets (other than assets in Hansard International Limited Unit Funds) by written notice to us, or by any other method of notice previously agreed by you with us. We will add the amount realised by the sale of an existing investment to the Personal Fund. A dealing charge, which applies in respect of each transaction, will be incurred. The amount of the dealing charge is given in Schedule One and will be deducted at the next quarterly charging date.

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9.2.2 If money in the Personal Fund is applied to the purchase of an asset, a dealing charge is incurred. The amount of dealing charge which applies in respect of each transaction, is given in Schedule One and will be deducted at the next quarterly charging date. Any asset to be held in the Personal Fund must fall within the limitations imposed under Clause 5.6.2 and we reserve the right not to accept or act upon any instructions which do not comply with this requirement.

10. Contract charges

10.1 At quarterly intervals, or such other periods as we shall specify, and immediately before the termination of this Contract, we shall be entitled to deduct and retain directly from cash linked to the Personal Fund, amounts in respect of the following charges, which are described in Schedule One:

- Annual management charge
- Service Charge

10.2 The amount to be deducted will be equal in value, on the date of such deduction, to the total amount of the charges. That value will be calculated at the Bid Price of Units on the last Valuation Day preceding the date of such calculation.

10.3 Our current practice is to deduct and retain charges at calendar quarterly intervals (31 March, 30 June, 30 September and 31 December) each year. In some instances, the initial Service Charge and the annual management charge deduction will be of a pro-rata amount relating to the interval between the date of allocation of a Contribution and the next following quarterly collection date.

We have adopted this procedure to simplify the administration of the collection of charges and it serves, therefore, to minimise the level of those charges to you and other Contract Holders. We reserve the right to change our procedure, should an alternative procedure be found to be more cost-effective for our Contract Holders.

10.4 If at any time the total value of the Personal Fund is insufficient to provide for the charges, the Contract will terminate without value.

10.5 If, at any time when deduction and retention of an amount is due, there is insufficient cash in the Personal Fund to meet the amount required, we shall act in accordance with the instruction relating to negative cash balances, contained in the application form.

10.6 Annual management charge on the Personal Fund

10.6.1 For the eight years following receipt and allocation of a Contribution, the amount of the relevant annual management charge applied on the Personal Fund will be as given in Schedule One; thereafter the charge will be reduced to zero.

At the end of each quarterly period, beginning at the end of the first quarter following receipt and application of that Contribution, we will calculate the annual management charge by applying the appropriate percentage rate(s) given in Schedule One to those proportions of the total Contract Value which relate to each of the Contributions received.

10.6.2 For the first eight years following the allocation of a Contribution, where the Contract Value related to a Contribution is less than the relevant part of the Contribution Remaining Allocated in respect of that Contribution, we will calculate a further charge based on the difference between them by applying the appropriate percentage rate given in Schedule One.

10.6.3 Where Hansard International Limited Unit Funds are allocated to the Personal Fund, for the purposes of the further charge calculated in Clause 10.6.2, we will increase the Contract Value to reflect the Hansard International Limited Unit Fund annual management charge that has already been applied within the unit price.

This increase will be determined by applying one quarter of the Hansard International Limited Unit Fund annual management charge applied within the unit price to the average value of the Hansard International Limited Unit Funds during the quarter concerned. This average value is determined by taking the value of the Units at the beginning and at the end of the quarter concerned.

10.7 Service Charge

At quarterly intervals, or such other periods as we shall specify, and immediately before the termination of this Contract, we shall be entitled to deduct and retain directly from cash linked to the Personal Fund, amounts in respect of the Service Charge, whose initial value is set out in Schedule One.

10.8 All the monetary amounts referred to in Schedule One are normally reviewed on 1 July and may be increased by the Company from time to time without notice. To ascertain at any time the then current charges and minimum and maximum values, enquiries should be directed to the Company's Personal Portfolio Department.

10.9 In addition to the charges described in clauses 10.6 and 10.7, we will deduct an annual management charge, set out in Schedule One, from the Hansard International Limited Unit Funds, which is reflected in the quoted Unit Prices.

11. Surrender and withdrawal charges

11.1 At any time you may surrender, without incurring the discontinuance charge, all of the proportion of the total value which relates to Contributions paid more than eight years before the date of surrender.

The remainder of the total value may be fully surrendered at any time, subject to deduction of the discontinuance charge.

11.2 Where the related Contribution has been invested for less than one year, the discontinuance charge is 9.6% of the **greater** of (i) the relevant part of the Contribution Remaining Allocated in respect of that Contribution or (ii) the value of the Units related to the Contribution, immediately prior to the proposed surrender.

The rate of discontinuance charge reduces by 1.2% for each year of investment of the related Contribution. The discontinuance charge will be reduced proportionately for withdrawals.

11.3 On full surrender, the Surrender Charge will be the sum of the discontinuance charge (if applicable), together with the annual management charge on the Personal Fund and the Service Charge accrued in the quarter to date.

11.4 On withdrawal, the Surrender Charge will be the sum of the discontinuance charge (if applicable) and the annual management charge on the Personal Fund on the amount withdrawn accrued in the quarter to date.

If, immediately after a proposed withdrawal is effected, the value of the Units remaining allocated to the Contract will be less than the Service Charge for the quarter in which the withdrawal takes place, we may deduct the Service Charge from the amount to be paid in settlement of the withdrawal.

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- 11.5 For all calculations required in connection with a surrender or withdrawal, we use the Bid Price(s) on the next Valuation Day following our receipt of a valid written request to surrender.
- 12. Events outside our control**
- 12.1 We reserve the right if, in our reasonable opinion, exceptional circumstances arise and we consider it to be in the general interests of the majority of our Contract Holders to do so, to defer payment of benefits and/or a withdrawal request, including a regular payment facility payment, and/or a switch request and/or defer pricing of a Unit in the fund.
- 12.2 Where it becomes necessary to defer:
- 12.2.1 the benefit will be calculated at the Bid Price on the next Valuation Day after the end of the period of deferment;
- 12.2.2 the withdrawal will be calculated at the Bid Price on the next Valuation Day after the end of the period of deferment;
- 12.2.3 the switch or sale will be calculated at the Bid Price on the next Valuation Day after the end of the period of deferment;
- 12.2.4 during such period of deferment, any Contributions which would otherwise have been allocated to a particular asset in the Fund will be redirected to one or more other assets in accordance with your written instructions;
- 12.2.5 the pricing of a Unit will be calculated at the Bid Price on the next Valuation Day after the end of the period of deferment.
- 12.3 As the deferment could arise for a variety of reasons, we reserve the right to value the asset at nil or on any other reasonable basis during the time of deferment. This will impact on our ability to act on your instructions including the making of any payment under the Contract to you, be it an income payment or full surrender or withdrawal. Our obligation is to account to you the sums we actually receive from the manager of any underlying investment fund chosen by you less any charges under the Contract.
- 12.4 We shall be entitled to a reasonable extension to perform any obligation under this Contract where the delay is due to any cause beyond our reasonable control.
- 12.5 If, after six months, we have been unable to obtain a price for an asset due to these exceptional circumstances, we may transfer the title of the asset to you (if practicable and allowed by law), provided always that the asset concerned does not consist of Units in a Hansard International Limited Unit Fund.
- 13. Legislative changes and force majeure**
- 13.1 If and whenever circumstances outside our control (force majeure) or legislative changes in any country prevent us from fulfilling precisely our obligations under this Contract, we will amend those obligations in such a way as to enable us to meet our original obligations as nearly as is possible, whilst acting within the confinements imposed upon us by such circumstances or legislative changes.
- 14. Issue of Contracts for additional Contributions**
- 14.1 We cannot guarantee that this class of Contract will always be available to new applicants and on precisely the same terms and conditions as shown in this document or that future additional Contributions will be accepted on precisely the same terms and conditions as shown in this document.
- If you elect at a future date to make an investment under this Contract, this may necessitate the issue of a new Contract and that new Contract will be subject to the terms and conditions then offered to new applicants. If this Contract is no longer available to new applicants, you should ask your Independent Financial Advisor to recommend to you an alternative Contract which appears to be suitable and appropriate.
- 15. Surrender and Surrender Value**
- 15.1 You may surrender the Contract subject to receipt by the Company at its Head Office of the necessary documents referred to in Clause 20.
- 15.2 The Surrender Value will equal the Bid Price value of Units allocated to the Contract at the next Valuation Day after the Company receives written instructions for the surrender, less any Surrender Charges outlined in Clause 11. On payment of the Surrender Value, the Contract will terminate and no further benefits will be payable.
- 16. Withdrawal**
- 16.1 A withdrawal may be of any amount between the minimum withdrawal amount given in Schedule One and the amount that would be available in the event of a full surrender.
- 16.2 You may direct to receive payments from the Contract at regular intervals to provide specified amounts, in which event the value of the Units to be surrendered on each such separate occasion shall be calculated in accordance with the Bid Price of Units applying at the last Valuation Day preceding each such occasion.
- 16.3 All Units so surrendered are subject to the provisions of Clause 20.1. Such regular amounts shall be paid without endorsement to the Contract. The regular payment facility will cease to be available if at any time the value of the Unit Fund, at the Bid Price, falls below 20% of the total Contributions made to this Contract.
- 17. Rounding**
- 17.1 The number of Units deemed to be allocated to this Contract under Clause 7 and cancelled under this Contract under Clauses 10, 15 and 16 will include fractions of a Unit rounded to the nearest second decimal place (or as many places as we decide appropriate). The Bid Prices of Units will be calculated under Clause 8 to at least three significant figures.
- 18. Currency**
- 18.1 The currency of the Contract is shown in the Contract Certificate and all Contributions not received in that currency will be converted to that currency at the rate, and subject to any applicable charges for such conversion, offered by the Company's bankers on the business day after the Company receives payment.
- 18.2 Benefits payable under the Contract will be paid in the currency referred to in the Contract Certificate unless the Contract Holder requests, in writing, payment in another currency. If the Contract Holder requests payment in another currency, payment will be subject to the conversion rate offered by the Company's bankers and any applicable charges for such conversion.
- 19. Nominated Beneficiary**
- 19.1 You may at any time during the term of the Contract, nominate in writing a beneficiary or beneficiaries (the Nominated Beneficiary) to whom the Maturity Benefit is to be paid and where there is more than one, the amount of their respective share in the Contract Value. Nomination of a beneficiary must be in the form prescribed by us. The nomination of a beneficiary shall not:

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- 19.1.1 affect the ownership of the Contract which will remain with you unless subsequently assigned by you;
- 19.1.2 confer any right or rights in the Contract on the Nominated Beneficiary.
- 19.2 The nomination of beneficiary will automatically be revoked in the event of:
- 19.2.1 termination of the Contract without value;
- 19.2.2 the receipt by us of a written notice of revocation signed by you;
- 19.2.3 assignment of the Contract by you and we have received written notice of assignment;
- 19.2.4 the Nominated Beneficiary, or if more than one all of them, predeceasing you.
- 20. Surrender, withdrawal and Maturity Benefit**
- 20.1 The surrender benefits described below will become payable only after deduction of any amounts due to us under this Contract, including any dealing charge due from the sale of an asset.
- 20.2 You can surrender this Contract, wholly or in part, at any time by giving us written notice in the form required under our procedures at the time. For full surrender, you will also need to send us the Contract Certificate together with any endorsements.
- 20.3 In the case of a withdrawal, you can only surrender Units with a value equal to or greater than the minimum withdrawal amount set out in Schedule One. After a withdrawal, the number of Units remaining allocated to the Contract will be reduced accordingly. If more than one Contribution has been applied under the Contract, Units relating to the earliest Contribution(s) will be cancelled first. When no Units remain allocated to the Contract, it will terminate and have no further value.
- 20.4 The amount payable on any withdrawal or full surrender will be the value of the surrendered Units less the relevant charges as described under 'Surrender and withdrawal charges' in Clause 11.
- 20.5 The value of surrendered Units is calculated by reference to the Bid Price of the Units applying on the next Valuation Day following receipt by us of the required written notice.
- 20.6 The Maturity Benefit will become payable at the end of the Contract term of 99 years and will be the Surrender Value of all Units remaining allocated to the contract. The amount of the Maturity Benefit is payable only after deduction of any amounts due to the Company in connection with this Contract. Once the payment of the Maturity Benefit has been made, the Contract will be terminated and have no further value.
- 21. Levies for Contract Holder protection**
- 21.1 We shall be entitled to make deductions (which in our absolute discretion we deem necessary) from the Unit Funds and/or benefits payable under this Contract in respect of the operation of any statutory Contract Holder protection scheme from time to time in operation in the Isle of Man.
- 22. Assignment**
- 22.1 No assignment of this Contract will be binding on us unless it is in writing and a duplicate of the original assignment has been filed with us whilst this Contract is in force. Any such duplicate assignment must be sent to our Head Office. If, after some future date, we require any subsequent such duplicate assignment to be sent to some other place, we will notify you in writing of our changed requirements. We assume no responsibility for the validity or sufficiency of any assignments of this Contract.
- 22.2 No agent of yours or ours is authorised to receive, acknowledge or forward any duplicate assignment under any circumstances.
- 23. Notices**
- 23.1 All notices which the Contract Holder is required to give must be given in writing and sent to the Company at its Head Office or to any other address the Company may give for that purpose.
- 23.2 The address of the Company's Head Office is Harbour Court, Lord Street, Box 192, Douglas, Isle of Man, IM99 1QL, British Isles.
- 24. Tax**
- 24.1 In the event of any changes in taxation (including change due to an alteration in the residency status of the Contract Holder) affecting our liability, which become effective after the Commencement Date, in relation to either the Company, the Hansard International Limited Unit Funds or the benefits under this Contract, we shall make such modifications to the benefits and conditions of this Contract as are necessary to enable us to meet the benefits and conditions as closely as is reasonably possible whilst acting within the confinements imposed upon us by such changes in taxation.
- 24.2 In the event that the Appointed Actuary decides that the changes are not possible then the Contract will be surrendered. The terms of the surrender will be determined by the Appointed Actuary who will take into account your interests and those of the Company.
- 24.3 This Contract is not available to residents of the United States of America. If you become resident in the United States of America, the Company must be notified promptly and we may not be able to accept in respect of this Contract:
- 24.3.1 payment of any further Contributions; or
- 24.3.2 any instructions to vary the choice of Hansard International Limited Unit Funds from the range available.
- 24.4 The capital gains and investment income of the Hansard International Limited Unit Funds we maintain on behalf of Contract Holders are not currently subject to tax in the Isle of Man.
- 24.5 In the event of any changes in taxation or other legislation affecting us, the investment funds or the benefits payable under this Contract, we may make such alterations we consider necessary to the terms and conditions of the Contract to take account of such changes and take such other action as we are obliged to do so by law. We will notify the Contract Holder accordingly as soon as reasonably practicable.
- 25. Variations to the Contract**
- 25.1 Regardless of anything stated elsewhere in this Contract, if and whenever any changes impact on the Contract including, without in any way limiting the generality of the foregoing, exchange control regulations or other currency or insurance or other legislation of any country prevent us from fulfilling precisely our obligations under this Contract, those obligations will be modified by us in such a way as to enable us to meet as much of our obligations as is reasonably possible whilst acting within the confinements imposed upon us by such changes.
- 25.2 In the event that the Appointed Actuary decides that the changes are not possible, then the Contract will be surrendered. The terms of the surrender will be determined by the Appointed Actuary who will take into account your interests and those of the Company.

Contract Terms and Conditions

26. Place at which this Contract was made

26.1 The Contract Holder's application for this Contract was accepted by the Company in the Isle of Man and accordingly this Contract was made in the Isle of Man.

27. Law

27.1 This Contract is to be governed by and construed in accordance with the laws of the Isle of Man and is subject to the exclusive jurisdiction of the High Court of Justice of the Isle of Man.

Notes

Hansard International Limited

Harbour Court, Lord Street, Box 192, Douglas, Isle of Man IM99 1QL, British Isles

Telephone: +44 1624 688000 Website: hansard.com

Registered Number 032648C

Regulated by the Isle of Man Financial Services Authority