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Glossary of terms

We have given special meaning to the terms listed below. Each term will have the defined meaning when used throughout the rest of these terms and conditions and will be written in italics.

**additional payment**
Any amount of money paid into the plan after the start date of the plan.

**adviser**
A business or individual authorised and regulated by the Financial Conduct Authority, including any appointed representative of the adviser.

**application form**
The Zurich International Portfolio Bond application form.

**appointed actuary**
The actuary appointed by us in accordance with Irish legal and regulatory requirements. The appointed actuary has statutory and professional duties towards us and our planholders. Reference to the appointed actuary includes suitable persons acting on the instructions of the appointed actuary.

**assets**
Units or shares in a mutual fund, units in an insured fund, cash in a deposit account, money in the transaction account and any temporary transaction account.

**base currency**
The currency in which your transaction account will be denominated (being either pounds sterling, US dollars or euro) and which cannot be changed after the start date of your plan. When nominating the Zurich Portfolio option this must be pounds sterling.

**benefit currency**
The currency in which you wish to receive regular withdrawals as selected on your application form, (being either pounds sterling, US dollars or euro) and which cannot be changed after the start date of your plan. When nominating the Zurich Portfolio option this must be pounds sterling.

**business day**
A day (except a Saturday, Sunday or UK bank holiday) on which commercial banks are open in London for normal business.

**cash-in request form**
The Zurich International Portfolio Bond cash-in request form for use when requesting regular and one-off withdrawals from your plan or full cash-in of your plan. This form is available from us or your adviser.

**cash-in value**
This is the value of each policy less any outstanding charges if you fully cash it in.

**deposit account**
A deposit account provided by a credit institution. If you want to invest in a deposit account, it must be in the same currency as your base currency.

**information leaflet**
The Zurich International Portfolio Bond information leaflet available from us or your adviser.

**initial payment**
The initial amount of money paid to us at the start date of your plan.

**insured fund**
An internal life fund managed by us that allows groups of investors to pool their money for investment purposes.

**investment adviser**
An appropriately authorised discretionary asset manager you appoint to select and manage permitted assets within a Zurich Portfolio on a discretionary basis, and with whom Sterling ISA Managers Limited have agreed terms of business.

**investment layer**
The plan value associated with each initial payment or additional payment. Each time we receive an additional payment we recalculate the proportion of the plan value attributable to each initial payment and additional payment.
minimum plan value
The plan value below which we have the right to fully cash in your plan as set out in the information leaflet.

mutual fund
A collective investment, managed by an external fund manager, that allows groups of investors to pool their money for investment purposes.

permitted assets
Investments which we are permitted to make under Irish regulatory requirements.

plan
The Zurich International Portfolio Bond provided by Zurich Life Assurance plc, as either a non-qualifying unit-linked whole of life insurance version or a unit-linked capital redemption version. At the start date of your plan, your plan is made up of 250 separate and identical insurance policies. This number will reduce if you cash in individual policies.

plan schedule
The document in which details specific to your initial payment and your plan are recorded.

plan value
The total value of the assets in your plan calculated in the base currency.

policy
One of the insurance contracts that make up your plan.

quarter end date
The last business day of March, June, September and December.

summary of plan changes
A document in which material changes to your plan (after a plan schedule has been issued) are recorded.

temporary transaction account
An account denominated in a currency other than your base currency. It is used to buy, sell or receive income from a mutual fund, insured fund, or deposit account, to receive the initial payment or any additional payment into your plan, or to pay a withdrawal in a currency other than the base currency. Temporary transaction accounts cannot be used for any other purpose.

trading form
The Zurich International Portfolio Bond trading form for use when you instruct us to buy or sell assets.

transaction account
An account denominated in your base currency, used to facilitate the movement of money into and out of your plan, and buying and selling assets.

unit fund
A separate and identifiable fund established by us and specific to your plan. It is divided into units of equal value, which are linked to the value of the assets in that fund. The division of your unit fund into units is purely notional and is used as a means of calculating the plan value. Depending on your base currency, the price of each unit is always 1 pound sterling, 1 US dollar or 1 euro. If the value of the assets in your unit fund increases, you will be allocated additional units. If the value of the assets in your unit fund decreases, the number of units allocated to you will be reduced.

Zurich Portfolio
An investment account, taken out by us, with Sterling ISA Managers Limited, on your behalf, to enable permitted assets in your plan to be managed.
1. Introduction
The Zurich International Portfolio Bond is provided by Zurich Life Assurance plc, a company incorporated in Ireland and a member of the Zurich Group. The Zurich Group includes Zurich Insurance Group Ltd, a company registered in Switzerland, company number 023.020.5108 and its direct and indirect subsidiary companies, including branches of such subsidiary companies.

These terms and conditions together with your plan schedule and any summary of plan changes contain legally binding obligations and form the contract between you and us. Any reference to ‘you’ or ‘your’ means the planholder or planholders of the plan as shown on the plan schedule or any summary of plan changes. Any reference to ‘we’, ‘us’, ‘our’ or ‘Zurich’ means Zurich Life Assurance plc.

1.1. The plan can be written as either:
(a) a non-qualifying unit-linked whole of life insurance version, with up to a maximum of ten planholders and ten lives insured, or
(b) a unit-linked capital redemption version, with up to a maximum of ten planholders, which has a maturity value payable after a fixed term of 99 years.

1.2. Your plan schedule confirms which version you have chosen.

1.3. Unless otherwise stated, all of these terms and conditions apply to both the non-qualifying unit-linked whole of life insurance version and the unit-linked capital redemption version.

1.4. These terms and conditions apply to each policy. Your initial payment and any additional payment will be divided equally between policies that have not been cashed in.

1.5. Each policy within your plan is linked to the unit fund. The assets within the unit fund belong to us, and you have no rights in the underlying assets of the unit fund.

2. Starting your plan
2.1. Your plan starts within three business days after:
• we have received a fully completed application form, any related documentation and your initial payment, and
• any reasonable requirements have been satisfied including, in particular, all anti-money laundering requirements.

2.2. We regard the initial payment as having been received on the business day after the money has cleared through our banking system.

2.3. We do not accept applications to start your plan received by telephone, fax or email.

2.4. We reserve the right not to accept an application for a plan.

2.5. The start date of your plan is shown in your plan schedule.

2.6. In your application form you must choose a currency to be the base currency for your plan and a currency to be your benefit currency. The currencies you can choose are set out in section 3.1.

2.7. On the start date of the plan, the planholder must be resident or ordinarily resident in the United Kingdom. You may not invest in a Zurich International Portfolio Bond if you are resident outside the United Kingdom or a citizen of the United States of America. For a jointly owned Zurich International Portfolio Bond this applies to each planholder.

3. Initial payment and any additional payment into your plan
3.1. Your initial payment and any additional payment can be made in one of the following currencies:
• pounds sterling, or
• US dollars, or
• euro.

If you intend to nominate the Zurich Portfolio option, this is only available if both the base currency and the benefit currency are pounds sterling.

3.2. We set minimum amounts for the initial payment and any additional payment, which we may change from time to time. Details of the current minimums are set out in the information leaflet available from us or your adviser.

3.3. We only accept an initial payment or any additional payment together with instructions to buy permitted assets or to return the balance of the transaction account to at least 3% of your plan value.

3.4. We accept an application form for any additional payment by post, fax or a scanned application via email subject to section 20.2.
3.5. We regard an additional payment to have been received on the business day after the money has cleared through our banking system.

3.6. We will allocate any additional payment to your plan within three business days after:
- we have received a fully completed application form, any related documentation and the additional payment, and
- any reasonable requirements have been satisfied including, in particular, all anti-money laundering requirements.

3.7. Unless you have a discretionary asset manager (see section 8), or you have nominated the Zurich Portfolio option (see section 9), at the start date of your plan you must have at least 3% of your initial payment in your transaction account (see section 4). This is to cover the costs of any charges (see section 10) or withdrawals (see section 11). The balance above 3% can be used to buy permitted assets (see section 6).

4. The transaction account

4.1. This section does not apply if you have a discretionary asset manager, or you nominate the Zurich Portfolio option. If you have a discretionary asset manager, please see section 8. If you have nominated the Zurich Portfolio option, please see section 9.

4.2. The transaction account is created on the start date of your plan and is used to facilitate the movement of money into and out of your plan and the buying and selling of permitted assets.

4.3. We pay the following to the transaction account or any temporary transaction account:
- The initial payment and any additional payment you pay into your plan (see section 3).
- Money from the sale of assets (see section 6).
- Interest and dividends from assets.
- Interest payments on the credit balance of the transaction account or any temporary transaction accounts (see sections 4.5 to 4.7).
- Rebates of yearly management charges from assets (see section 10.12).

4.4. We deduct the following, from the transaction account or any temporary transaction account:
- Costs of buying assets (see section 6).
- Yearly charge (see sections 10.2 to 10.3).
- Trading charges (see section 10.5).
- Custody charges (see section 10.4).
- Charges for telegraphic money transfer (see section 10.6).
- Regular withdrawals (see sections 11.1 to 11.11).
- One-off withdrawals (see sections 11.12 to 11.23).

4.5. We pay interest on the transaction account and any temporary transaction account, provided the transaction account does not have a debit balance on the quarter end date.

4.6. We assess interest on a daily basis on the credit balance in the transaction account and any temporary transaction account. The yearly interest rate will be 1% below the rate paid to us for the relevant currency. If the interest rate paid to us is 1% or below, no interest will be payable.

4.7. We calculate interest as at the quarter end date quarterly in arrears and then credit the transaction account and any temporary transaction account within eight weeks of the relevant quarter end date. We will not pay interest on the transaction account or any temporary transaction account if the transaction account has a debit balance at the relevant quarter end date.

4.8. Unless you nominate a discretionary asset manager or the Zurich Portfolio option, your quarterly statement will show the balance in the transaction account at the quarter end date. You are responsible for maintaining a credit balance in the transaction account. You can instruct us to sell assets or exchange currency in any temporary transaction account to the base currency to ensure you don’t have a debit balance in the transaction account.
4.9. Within eight weeks following the quarter end dates, we will check whether there is a debit balance in any temporary transaction account. If there is, we will use the transaction account to bring the balance of the temporary transaction account back to zero. If applicable, when we convert amounts from one currency to another, we use an exchange rate as notified to us by our bankers on the day of the transaction.

4.10. If, following any quarter end adjustments to your transaction account, the balance in the transaction account is below 1% of your plan value, we will take the following action with the aim of returning the balance of the transaction account to at least 3% of the plan value:

- use any credit balances held in any temporary transaction account starting with the lowest-value temporary transaction account first, after taking into account any outstanding buy instructions, and
- then sell frequently priced assets, and
- then, if necessary, sell any other assets.

4.11. If you do not return the balance of the transaction account to at least 3% of your plan value, and we are unable to sell sufficient assets in accordance with section 4.10, we reserve the right to stop any regular withdrawals from your plan.

4.12. You are responsible for ensuring that the transaction account has a sufficient credit balance to meet the charges and withdrawals you require throughout the life of your plan.

5. Permitted assets

5.1 The permitted assets which we make available will not cause the policy to become a personal portfolio bond as defined within the Personal Portfolio Bond (Tax) Regulations 1999.

5.2. The Personal Portfolio Bond (Tax) Regulations 1999 and the assets in which your plan is invested may change over time. You should obtain independent advice to ensure that at all times the assets you ask us to invest in do not make your plan a Personal Portfolio Bond under the Personal Portfolio Bond (Tax) Regulations 1999.

5.3. We are not responsible for any taxes, costs or charges that you may incur as a result of your plan becoming a Personal Portfolio Bond.

5.4. Details of our current range of permitted assets which is made up of insured funds, mutual funds, deposit accounts and the exchange-traded assets available through the Zurich Portfolio option, is available from us or your adviser.

5.5. We will withdraw a permitted asset from our range of permitted assets if we identify for any reason that it is no longer permitted under Irish law and regulation.

5.6. We have the right to withdraw an insured fund from our range of permitted assets if:

- our investment rights in respect of the insured fund’s underlying investments are restricted or removed, or
- an additional tax, stamp duty or levy is imposed.

5.7. We have the right to withdraw a mutual fund from our range of permitted assets if a fund manager:

- closes the mutual fund
- significantly changes the nature of the mutual fund, or
- fails to meet its obligations under the contract it has in place with us.

5.8. We have the right to withdraw a permitted asset from our range of permitted assets if, in our reasonable opinion, it is no longer appropriate to deal with a manager of mutual funds or a deposit account provider because it has changed its administration procedures or it has acted in a way that may affect our reputation.
5.9. If we identify that your plan contains an asset that ceases to be a permitted asset (in accordance with sections 5.5 to 5.8), we will place instructions to sell it at the next available price. There may be a delay in selling holdings in an exchange-traded asset, a mutual fund or insured fund or in withdrawing money from a deposit account as set out in section 6.15. The price at which the assets are sold will be determined as set out in section 6.16. We will pay the proceeds into the transaction account or any temporary transaction account. We will then write to you to confirm that the asset has been sold and ask for your instructions. If you do not give us instructions, the proceeds will remain in the transaction account or any temporary transaction account.

5.10. We have the right to close an insured fund at any time. We will write to you in advance of doing so and to request your further instructions. If you do not give us instructions within the time specified to you, we will pay the proceeds from the sale of holdings in the insured fund into the transaction account or any temporary transaction account on the date of its closure.

6. Buying and selling assets
6.1. This section does not apply if you have a discretionary asset manager or you have nominated the Zurich Portfolio option.

6.2. You choose assets held in your plan entirely at your own risk and you or your adviser should make any checks or seek any independent advice that you consider necessary. You are responsible for ensuring that you have read the prospectus or equivalent document for any mutual fund chosen or the relevant information or terms and conditions for any insured fund or deposit account in your plan.

6.3. You are responsible for ensuring that you are aware of all charges that will apply to a permitted asset before you instruct us to buy it.

6.4. Details of the permitted assets that you can instruct us to buy are available from us or your adviser. If a mutual fund you want to instruct us to buy is not available as a permitted asset, please ask your adviser to contact us. We will not buy the mutual fund until we have reviewed it and decided whether to make it available as a permitted asset. If we decide not to make the mutual fund available, we will contact you or your adviser.

6.5. If we have cause to reject or delay an instruction to buy or sell a permitted asset, or if we have to defer carrying out a buy or sell instruction while checking whether we can add to our range of permitted assets, we accept no responsibility for any of the consequences of such rejection or delay.

6.6. If you want to instruct us to invest into a deposit account, the account must be denominated in the same currency as the base currency of your plan.

6.7. We will only place your instruction to buy a permitted asset if there is a sufficient credit balance (allowing for any outstanding buy instructions) in your transaction account or any temporary transaction account in the currency of the permitted asset to cover the total amount detailed on your instruction.

6.8. Trading charges apply to each mutual fund that is bought or sold (see section 10.5).

6.9. When we convert amounts from one currency to another, we use an exchange rate as notified to us by our bankers on the day of the transaction.

Giving us instructions to buy and sell assets
6.10. Instructions to buy and sell permitted assets must be made on a trading form that is available from us or your adviser. International Securities Identification Numbers (ISINs) must be provided for insured funds and mutual funds. If the fund ISIN is not provided, this will delay the processing of your instruction to buy or sell a permitted asset while we obtain clarification from you or your adviser.
6.11. A trading form can be sent by post, fax, or a scanned image by email subject to section 20.2. We cannot accept responsibility for a failure to act on an instruction resulting from an error in transmission or if the copy is illegible, incomplete or unclear. We will not accept buy or sell instructions verbally.

6.12. If the instructions on the trading form are illegible, unclear or incomplete, or do not relate to a permitted asset, we will delay buying or selling assets while we obtain clarification from you or your adviser. We cannot backdate buy or sell instructions resulting from the delay caused in clarifying your instructions.

6.13. Buy or sell instructions for permitted assets that are received before 12 noon on a business day will normally be placed within two business days and all buy and sell instructions for permitted assets will be placed within three business days, subject to the other terms of this section 6 and section 19. We consider instructions that are received after 12 noon on a business day to have been received on the following business day. We consider buy or sell instructions included with your application form to have been received on the business day on which we start your plan or, on the business day after we start your plan, if we start your plan after 12.00 noon on a business day. For any additional payments, we consider buy or sell instructions included with your application form to have been received on the business day on which we allocate the additional payment to your plan or, on the business day after we allocate the additional payment to your plan, if we allocate the additional payment to your plan after 12.00 noon on a business day.

6.14. If you instruct us to sell and buy assets as part of a single instruction, we will first process all of the sell parts of this instruction. Once we have received the proceeds from all of the sell parts of the instruction, we will proceed with the buy instructions in accordance with section 6.13 unless agreed otherwise with you. If the transaction account or any temporary transaction account receiving the proceeds from the sale has a debit balance, the proceeds from the sell instructions will be used to clear the debit balance before we act on any buy instructions. In this case the full proceeds from a sale would not be available to buy a new asset.

6.15. Our instruction to a fund manager to buy or sell a permitted asset will be to buy or sell at the next available price. There may be a delay between our instruction being placed and the instruction being completed by the fund manager or deposit account provider. The instruction may be completed in stages by the fund manager or deposit account provider. This could arise, for example, for mutual funds or insured funds that are not priced daily or if the fund manager has placed restrictions on purchases or sales. It could also arise for deposit accounts where there are restrictions on when cash can be withdrawn from the account.

6.16. The prices at which permitted assets are bought or sold by us will be determined solely by the prices at which the trade is completed by the fund manager or deposit account provider (whether in whole or in part). This may be at different prices and at different times to what you expect.

6.17. Once we have placed a buy or sell instruction with a fund manager, you cannot withdraw or alter your buy or sell instruction except where you are exercising your cancellation rights.

Buy and sell limits
6.18. We have certain minimum amounts for the size of buy and sell instructions. Details of these minimums are in the information leaflet. The fund manager or deposit account provider may impose a higher minimum.

6.19. Subject to 6.18, you can give us instructions for us to buy up to 100 permitted assets with the initial payment or any additional payment.
7. Plan value
7.1. The plan value is calculated as the sum of the value of the assets in your plan converted into your base currency.

Insured funds
7.2. The value of units in an insured fund is calculated based on the price of each insured fund. We calculate the price of each insured fund at least once a month. The prices are set by the appointed actuary. In setting the prices, the appointed actuary takes into account the market value of the underlying holdings in the insured fund, the costs of buying or selling those underlying holdings, and the cash flows of the insured fund. The aim of this assessment is to maintain fairness between planholders. This can lead to sudden changes in price unrelated to changes in the market value of the underlying holdings of the insured fund. We do not receive any benefit from this process.

Mutual funds
7.3. The value of units or shares in a mutual fund is based on the latest information available to us from the fund manager or certain other third parties (or both). Some mutual funds are not priced on a daily basis and the valuation we provide will be based on the latest available price.

Deposit accounts
7.4. The value of a deposit account is based on the latest value calculated by us.

Discretionary asset managers
7.5. If you have a discretionary asset manager, the plan value is calculated solely using the latest information provided to us by your discretionary asset manager.

Zurich Portfolio option
7.6 If you have nominated the Zurich Portfolio option, as described in section 9, the plan value is calculated solely by using the latest information provided to us by Sterling ISA Managers Limited.

8. Discretionary asset managers
8.1. This section only applies to you if you nominate a discretionary asset manager and we agree to appoint them. It does not apply where you have nominated the Zurich Portfolio option.

8.2. You may nominate a discretionary asset manager to manage the assets in your plan. A list of the discretionary asset managers you can choose from is available from us or your adviser.

8.3. The terms on which the discretionary asset manager will manage the assets in your plan is governed by a discretionary asset management agreement between us and the discretionary asset manager. The discretionary asset manager must at all times manage the assets in your plan in accordance with the discretionary asset management agreement and all applicable laws and regulations.

8.4. The discretionary asset manager will be able to manage and invest your initial payment and any additional payment only in assets that are permitted assets.

8.5. The initial payment or any additional payment will be available for the discretionary asset manager to invest within three business days from the start date of your plan or the date we have allocated the additional payment to your plan, respectively. We are not responsible for any delay by the discretionary asset manager in investing your initial payment or any additional payment in accordance with your investment objectives and attitude to risk.

8.6. We are the customer of the discretionary asset manager for regulatory purposes and will liaise directly with the discretionary asset manager.

8.7. We will pass your discretionary asset manager nomination form to the discretionary asset manager so that they are able to manage and invest in permitted assets in accordance with your investment objectives and attitude to risk.

8.8. The transaction account is created at the start date of your plan and is used to facilitate the movement of money between you, us and the discretionary asset manager. Where you have a discretionary asset manager, we will operate the transaction account as set out in this section and section 4 does not apply.
8.9. When we receive the initial payment, receive any additional payment or pay a withdrawal in a currency other than your base currency, we will use a temporary transaction account. Temporary transaction accounts cannot be used for any other purpose.

8.10. We pay the following to the transaction account or any temporary transaction account:
- the initial payment or any additional payment (see section 3), and
- money received from the discretionary asset manager to pay charges and withdrawals.

8.11. We deduct the following, if applicable, from the transaction account or any temporary transaction account:
- Money transferred to the discretionary asset manager.
- Yearly charges (see sections 10.2 to 10.3).
- Charges for telegraphic money transfer (see section 10.6).
- Regular withdrawals (see sections 11.1 to 11.11).
- One-off withdrawals (See sections 11.12 to 11.21).

8.12. The discretionary asset manager is responsible for investing in permitted assets in accordance with your investment objectives and attitude to risk. We are not responsible for the actions or decisions taken by a discretionary asset manager in respect of the assets they choose to invest in your plan.

8.13. The discretionary asset manager may require you to enter into an agreement in respect of their management services to which we will not be party. If you do enter into such an agreement, the discretionary asset manager will be responsible for complying with any obligations to you under the agreement. If there is any conflict or discrepancy between such an agreement and these terms and conditions, these terms and conditions will prevail.

8.14. You agree that your plan value will reflect any fees taken by the discretionary asset manager in respect of the services they provide, including any trading charges or custody charges levied by the discretionary asset manager.

8.15. Discretionary asset manager charges apply only if you have a discretionary asset manager. The charge will be equivalent to the fee levied by the discretionary asset manager for providing their services.

8.16. The discretionary asset manager will manage the buying and selling of assets in your plan. When you request a one-off withdrawal from your plan, when you fully cash in your plan, when the maturity value becomes payable or when the death benefit becomes payable, we place instructions with the discretionary asset manager to sell assets in your unit fund. We are not responsible for any delay by the discretionary asset manager in selling your assets.

8.17. When regular withdrawals are being paid from your plan, it is the responsibility of the discretionary asset manager to ensure that there is a sufficient balance available in the transaction account to meet any regular withdrawals required.

8.18. The discretionary asset manager is responsible for calculating the value of the assets in your unit fund.

8.19. The charges associated with permitted assets bought by your discretionary asset manager may be different to the charges shown on our fund charges summary and our list of deposit accounts.

8.20. If you no longer want your nominated discretionary asset manager to manage the assets in your plan, you must give us written notice that you wish us to withdraw their appointment.
8.21. When a discretionary asset manager ceases to manage assets in your plan, we will give instructions for the assets to be sold and the proceeds from their sale, less any outstanding charges owing to the discretionary asset manager, will be placed into the transaction account or temporary transaction account pending further instructions from you. We are not responsible for any delay by the discretionary asset manager in selling your assets. The proceeds from the sale of the assets will be determined solely by the amount we receive from the discretionary asset manager.

You can then choose to either:

- nominate a new discretionary asset manager, or
- give us instructions on any future buying and selling of permitted assets.

9. The Zurich Portfolio option

This section only applies if you have nominated, and we have agreed, for permitted assets to be held within a Zurich Portfolio.

9.1 You may ask us to set up a Zurich Portfolio on your behalf at any time, for the purposes of holding permitted assets and enabling them to be managed.

9.2 You can only nominate the Zurich Portfolio option when you have selected pounds sterling as both the base currency and the benefit currency of your plan.

Roles and responsibilities

9.3 Where we agree, we will take out a Zurich Portfolio with Sterling ISA Managers Limited in our name on your behalf. Sterling ISA Managers Limited is a member of the Zurich Group of companies.

9.4 For regulatory purposes we are the customer of Sterling ISA Managers Limited and will communicate directly with them on your behalf.

9.5 We will at all times remain the administrator of your plan, but we will transfer the value of your plan to the Zurich Portfolio.

9.6 The terms on which Sterling ISA Managers Limited will hold permitted assets in the Zurich Portfolio will be governed by an arrangement between us and Sterling ISA Managers Limited and in line with section 5.

9.7 You are responsible for appointing an appropriately authorised adviser to select and manage permitted assets within the Zurich portfolio. Your adviser can appoint an investment adviser to manage assets on a discretionary basis, subject to our agreement. Your adviser or their appointed investment adviser can invest only in permitted assets that are available for investment within the Zurich Portfolio.

9.8 To manage permitted assets within a Zurich Portfolio, your adviser or any investment adviser must enter into an appropriate agreement with Sterling ISA Managers Limited. In the event such agreement ends, you must appoint another adviser (and, if appropriate, they can appoint another investment adviser), who will need to enter into the appropriate agreement with Sterling ISA Managers Limited. If you do not appoint a replacement adviser, we may close the Zurich Portfolio in line with section 9.30.

9.9 Where your adviser appoints an investment adviser, they may require you to enter into an agreement in respect of their management services to which we will not be a party. If you do enter into such an agreement, the investment adviser will be responsible for complying with any obligations to you under their agreement. If there is any conflict or discrepancy between such an agreement and these terms and conditions – these terms and conditions will prevail.

9.10 Your adviser, or any investment adviser, will be responsible for investing in permitted assets on your behalf and for providing Sterling ISA Managers Limited with appropriate instructions for buying and selling permitted assets.

9.11 Sterling ISA Managers Limited will be responsible for making custody arrangements for the holding of permitted assets.
9.12 We will be responsible for reclaiming any withholding tax paid on UK interest received or UK interest distributions from any UK assets held in the Zurich Portfolio. We will do this each year, as soon as possible after the 5th April, and pass the tax repayment we receive from HM Revenue and Customs to Sterling ISA Managers Limited. It will be allocated to the Zurich Portfolio, where it will be available for investment by your adviser or any investment adviser appointed by them.

If the Zurich Portfolio no longer exists for example, because the Zurich international Portfolio Bond has been surrendered in full, the payment will be made directly to you.

9.13 We will inform Sterling ISA Managers Limited of any charges outlined in section 10 and they will deduct the value of the charges from the permitted assets within the Zurich Portfolio and pay it to us.

9.14 You agree that your plan value will reflect any charges taken by Sterling ISA Managers Limited in respect of the services they provide. Sterling ISA Managers Limited will deduct their fees from the permitted assets held within the Zurich Portfolio. Details of these charges will be given to you by your adviser and Sterling ISA Managers Limited before the Zurich Portfolio is set up.

9.15 If your adviser appoints an investment adviser to manage permitted assets on a discretionary basis in a Zurich Portfolio, they may apply their own fees. Where they do, you agree that Sterling ISA Managers Limited will deduct such fees from the permitted assets held within the Zurich Portfolio.

9.16 If you nominate the Zurich Portfolio option when you first start your plan, we will pass your initial payment less any charges detailed in section 10, to Sterling ISA Managers Limited for investment in the Zurich Portfolio.

9.17 If you already have a plan and nominate the Zurich Portfolio option, on receipt of your instructions and only after we have received confirmation from Sterling ISA Managers Limited that the Zurich Portfolio is able to accept the proceeds, we will sell your existing permitted assets (in line with section 6). We will then pass to Sterling ISA Managers Limited, the cash proceeds in pounds sterling, less any outstanding plan charges.

9.18 Where we receive an additional payment to a plan invested in a Zurich Portfolio, we will pass that additional payment, less charges, in pounds sterling to Sterling ISA Managers Limited, for investment in the Zurich Portfolio.

9.19 On receipt of cleared cash in accordance with section 3.5, we will pass the appropriate amount to Sterling ISA Managers Limited as soon as reasonably practicable after we receive it. We are not responsible for any delays by Sterling ISA Managers Limited, your adviser or investment adviser.

Managing the Zurich Portfolio

9.20 All payments to Sterling ISA Managers Limited will be made directly by us in pounds sterling and all withdrawals from Sterling ISA Managers Limited will be made directly to us in pounds sterling.

9.21 A transaction account is created at the start of your plan or when we agree to set up a Zurich Portfolio, to facilitate the movement of money between you, us and Sterling ISA Managers Limited. Where you have chosen to have permitted assets managed within a Zurich Portfolio, we will operate the transaction account as set out in this section, and section 4 will not apply.

We will pay the following to the transaction account:

- the initial payment or any additional payment (section 3)
- the cash proceeds from the sale of permitted assets
- cash received from Sterling ISA Managers Limited to pay charges and withdrawals.
Where applicable, we will deduct the following from the transaction account:

- money transferred to Sterling ISA Managers Limited
- yearly charges (sections 10.2 to 10.3)
- charges for telegraphic money transfers (section 10.6) where applicable
- regular and one-off withdrawals (section 11)

9.22 Your adviser or any investment adviser is responsible for providing all instructions relating to the buying and selling of permitted assets to Sterling ISA Managers Limited.

9.23 Sterling ISA Managers Limited is responsible for calculating and informing us of the value of permitted assets within the Zurich Portfolio.

9.24 The charges associated with permitted assets bought by your adviser or any investment adviser within a Zurich Portfolio may be different to the charges shown on our fund charges summary.

Withdrawing money from the Zurich Portfolio

9.25 You or your adviser must provide us with any instructions relating to setting up or changing regular withdrawals or taking one-off withdrawals. You must provide us with full instructions by completing a cash-in request form.

9.26 We will pass withdrawal and cash-in instructions to Sterling ISA Managers Limited when:

- you set up or change a regular withdrawal
- you request a one-off withdrawal
- you fully cash in your plan
- the maturity value becomes payable, or
- the death benefit becomes payable.

9.27 On receiving your instructions in line with section 9.25, we will instruct Sterling ISA Managers Limited as soon as reasonably practicable. We are not responsible for any delay by Sterling ISA Managers Limited, your adviser or any investment adviser, in selling permitted assets and passing the proceeds to us.

9.28 You may take regular withdrawals in line with section 11 with the exception that the four-monthly withdrawal option is not available from a Zurich Portfolio.

9.29 When regular withdrawals are taken from your plan, it is the responsibility of your adviser or any investment adviser to ensure that the permitted assets from which regular withdrawals are being taken have sufficient value to fund them.

Ending the Zurich Portfolio

9.30 The Zurich Portfolio may end for any of the following reasons:

- on instructions we receive from you in line with section 20.2
- By us, where reasonable or where required by law or regulation
- By Sterling ISA Managers Limited where it is reasonable for them to do so, or where required by law or regulation
- Where the Zurich Portfolio option is no longer offered and the arrangement between us and Sterling ISA Managers Limited ends.

9.31 If you no longer want the permitted assets in your plan to be managed in a Zurich Portfolio, you must give us written notice that you want us to close the Zurich Portfolio.

9.32 On receipt of your written instructions to close the Zurich Portfolio, or in the event that the Zurich Portfolio option stops being available, we will give instructions for the permitted assets to be sold. The proceeds from their sale, less any outstanding charges owing to Sterling ISA Managers Limited, your adviser and/or any investment adviser, will be placed into the transaction account pending further instructions from you, or your adviser where they have your authority. We are not responsible for any delay by your adviser or their appointed investment adviser, or Sterling ISA Managers Limited in selling your permitted assets. The proceeds from the sale of the permitted assets will be determined solely by the amount we receive from Sterling ISA Managers Limited.
On our receipt of the cash proceeds from Sterling ISA Managers Limited, you or your adviser can choose to either:

- give us instructions on any future buying and selling of permitted assets

or

- nominate a new discretionary asset manager, if applicable.

10. Charges

Plan charges

10.1. The plan schedule and any summary of plan changes show details of the charges we apply to your plan.

If you have nominated the Zurich Portfolio option, the charges detailed in these terms and conditions will apply unless specified otherwise. Information about additional charges that relate specifically to the Zurich Portfolio option, are detailed in section 9.

Yearly charge

10.2. We calculate yearly charges on each quarter end date quarterly in arrears, based on the plan value. For the initial payment and any additional payment invested during the quarter, or on full cash-in of the plan, we reduce the charge to reflect the number of days in that quarter that the initial payment or any additional payment has actually been invested. We deduct this charge from your transaction account quarterly in arrears within eight weeks of the relevant quarter end date.

If you pay any additional payment in the future, charges may be different. If you have a discretionary asset manager or you have nominated the Zurich Portfolio option, we will inform either the discretionary asset manager or Sterling ISA Managers Limited of this charge and they will deduct it from your plan.

The table below shows the current yearly charge as an annualized figure in all available base currencies.

<table>
<thead>
<tr>
<th>Plan value base currency in pounds sterling (GBP)</th>
<th>Plan value base currency in US dollars (USD)</th>
<th>Plan value base currency in euro (EUR)</th>
<th>Standard death benefit (see section 13.6)</th>
<th>Standard death benefit removed (see section 13.7)</th>
<th>Reduced death benefit (see section 13.8)</th>
<th>Capital redemption version</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50,000</td>
<td>Less than 85,000</td>
<td>Less than 70,000</td>
<td>1.10%</td>
<td>1.05%</td>
<td>1.10%</td>
<td>1.05%</td>
</tr>
<tr>
<td>Equal to or more than 50,000, but less than 100,000</td>
<td>Equal to or more than 85,000, but less than 70,000</td>
<td>Equal to or more than 70,000, but less than 140,000</td>
<td>0.85%</td>
<td>0.80%</td>
<td>0.85%</td>
<td>0.80%</td>
</tr>
<tr>
<td>Equal to or more than 100,000, but less than 250,000</td>
<td>Equal to or more than 170,000, but less than 430,000</td>
<td>Equal to or more than 140,000, but less than 350,000</td>
<td>0.50%</td>
<td>0.45%</td>
<td>0.50%</td>
<td>0.45%</td>
</tr>
<tr>
<td>Equal to or more than 250,000, but less than 500,000</td>
<td>Equal to or more than 430,000, but less than 850,000</td>
<td>Equal to or more than 350,000, but less than 700,000</td>
<td>0.35%</td>
<td>0.30%</td>
<td>0.35%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Equal to or more than 500,000, but less than 1,000,000</td>
<td>Equal to or more than 850,000, but less than 1,700,000</td>
<td>Equal to or more than 700,000, but less than 1,400,000</td>
<td>0.25%</td>
<td>0.20%</td>
<td>0.25%</td>
<td>0.20%</td>
</tr>
<tr>
<td>Equal to or more than 1,000,000</td>
<td>Equal to or more than 1,700,000</td>
<td>Equal to or more than 1,400,000</td>
<td>0.18%</td>
<td>0.13%</td>
<td>0.18%</td>
<td>0.13%</td>
</tr>
</tbody>
</table>
10.3. Your plan schedule shows your total yearly charge. Any summary of plan changes will show the yearly charge based on the total plan value.

Custody charges
10.4. We calculate the custody charges on the quarter end date quarterly in arrears, based on the value of each mutual fund at that date. We deduct this charge from your transaction account within eight weeks of the relevant quarter end date. Details of custody charges are in the information leaflet. This section (10.4) does not apply if you have a discretionary asset manager or you have nominated the Zurich Portfolio option. Details of any custody charges deducted by the discretionary asset manager are available from them.

Trading charges
10.5. We deduct a trading charge from your transaction account each time we buy or sell a mutual fund. Details of this charge are in the information leaflet. This section 10.5 does not apply if you have a discretionary asset manager or you have nominated the Zurich Portfolio option. Details of any trading charges deducted by the discretionary asset manager are available from them. Details of any trading charges deducted from permitted assets in a Zurich Portfolio are disclosed in the charges information document that your adviser will give to you.

Telegraphic transfer
10.6. If you ask us to make a telegraphic transfer to you, we reserve the right to pass on a charge up to the amount of the charge arising.

Variation of our charges
10.7. We may increase charges or introduce new charges to the extent that any increase or new charge is reasonable in amount, and is proportionate and reasonably required for any of the following reasons:

(a) to reflect changes in technology or insurance industry practice
(b) to take account of a decision by a court, government body, ombudsman, regulator, industry body, or similar body, or because of changes to the law, taxation, official guidance, codes of practice or the way in which we are regulated including the requirement to maintain reserves
(c) to take account of changes to levies or charges imposed by law, a regulator or under the Financial Services Compensation Scheme on us (unless we are expressly prohibited from passing these on to our customers)
(d) to take account of increases to charges incurred by us for fund management services
(e) to take account of increases to administration costs incurred by us in respect of the operation of the plan, or
(f) to take account of changes to currency exchange rates.

We will write to you and tell you of any changes to our charges 30 days before the change if this is reasonably possible. Otherwise we will let you know as soon as we reasonably can.

Fund manager charges and expenses
10.8. Charges covered in 10.9 to 10.15 may be different if you have a discretionary asset manager or you have nominated the Zurich Portfolio option.

10.9. Details of the yearly management charges applicable to mutual funds will be provided by us or your adviser.
10.10. We deduct a yearly management charge for insured funds to cover our investment costs, expenses and custody costs associated with managing an insured fund. This is reflected in the price of the insured fund. Details of the yearly management charges that apply to an insured fund will be provided by us or from your adviser.

10.11. Managers of mutual funds deduct ongoing fund management charges and expenses. Your adviser will provide details of these management charges and expenses that apply to your chosen mutual fund. The management charges and expenses for each fund may change over time. A fund charges summary is available from us or your adviser.

10.12. Where we received instructions before 6 April 2014 to make an investment into a mutual fund, the mutual fund manager may pay annual management charge rebates. If we receive such rebates, we may pass on some of the yearly management charge rebate to your transaction account. Any rebate that we pass on is calculated quarterly based on weekly valuations of mutual funds held during the quarter and is credited to the transaction account quarterly in arrears. Any rebate credited to the transaction account will be shown on your quarterly statement. We will reduce or stop paying the amount of rebate we credit to the transaction account if a fund manager reduces or does not pay the yearly management charge rebate to us.

Annual management charge rebates cannot be paid on mutual fund investments that are made on or after 6 April 2014.

10.13. Any rebate arising under section 10.12 after full cash-in or death or maturity benefits are received will be paid to you after the relevant quarter end date. We will not pay this rebate if the amount is less than a minimum set by us.

10.14. Deposit account providers do not normally take separate charges for providing a deposit account. If any separate charges are taken by a deposit account provider, we or your adviser will provide details of the charge.

10.15. Some fund managers and deposit account providers may also deduct charges when you instruct us to buy or sell a mutual fund or deposit account. These charges will be reflected in your plan value.

Discretionary asset managers

10.16. Discretionary asset manager charges apply only if you have a discretionary asset manager. The charge will be equivalent to the fee levied by the discretionary asset manager for providing its services.

The Zurich Portfolio option

10.17. If you have nominated the Zurich Portfolio option, the charges detailed in these terms and conditions apply unless specified otherwise. Additional information about charges relating specifically to a Zurich Portfolio are detailed in section 9.

11. Withdrawals

Regular withdrawals

11.1. You can ask for regular withdrawals from your plan on your application form or subsequently by completing a Zurich International Portfolio Bond Cash-in request form, or sending us signed instructions by post, fax, or a scanned image of your letter by email to us, subject to section 20.2. If you have nominated the Zurich Portfolio option, you can only set up regular withdrawals as set out within section 9.

11.2. The earliest date regular withdrawals can start from is 30 days after the start date of your plan.

11.3. Regular withdrawals can be paid in pounds sterling, US dollars or euro and will be paid in your benefit currency, unless you instruct us otherwise. If you instruct us to pay regular withdrawals in a currency other than your benefit currency, they will be converted from your benefit currency to the currency they are paid in as set out in section 6.9. Where you have nominated the Zurich Portfolio option, regular withdrawals can only be taken in pounds sterling.

11.4. You may choose to have your regular withdrawals paid every month, three months, four months, six months or each year. The four-monthly option is not available where you have nominated the Zurich Portfolio option.
11.5. We set minimum regular withdrawal amounts. You can find details of these in the information leaflet. We may change these amounts from time to time. We will notify you in line with section 17.2 before doing so.

11.6. The maximum regular withdrawal each year is 7.5% of the plan value. We have the right to reduce regular withdrawals if you exceed this maximum.

11.7. If one of your regular withdrawals reduces your plan value to below the minimum plan value, we reserve the right to cash in your plan. We can change this minimum in the future, if we do we will notify you in line with section 17.2.

11.8. We deduct regular withdrawals equally from all policies and investment layers.

11.9. Regular withdrawals are paid from the transaction account or any temporary transaction account depending on the currency of the withdrawals. You are responsible for ensuring that there is a sufficient balance available in the transaction account to meet any regular withdrawals requested. If you have a discretionary asset manager, it is responsible for ensuring that there is a sufficient balance available in the transaction account to meet any regular withdrawals required. If you have nominated the Zurich Portfolio option, regular withdrawals will be paid as set out in sections 9.25 to 9.29.

11.10. We reserve the right to cancel regular withdrawals if there is a debit balance in your transaction account (see section 4.11).

11.11. You may change or cancel regular withdrawals by completing a Zurich International Portfolio Bond Cash-in request form, or sending us signed instructions by post, fax, or a scanned image of your letter by email, subject to section 20.2. If you have nominated the Zurich Portfolio option and you want to change or stop regular withdrawals, you must complete the Zurich International Portfolio Bond Cash-in request form and send it to us by post, fax or a scanned image by email, subject to section 20.2.

**One-off withdrawals**

11.12. You cannot take a one-off withdrawal within 30 days of the start date of your plan.

11.13. We pay one-off withdrawals from the transaction account or any temporary transaction account.

11.14. You can request a one-off withdrawal at any time by completing a cash-in request form which is available from us or your adviser subject to clause 11.12. A cash-in request form can be sent by post, fax, or a scanned image by email, subject to section 20.2.

11.15. We set a minimum one-off withdrawal amount. You can find details of this in the information leaflet. We may change this amount from time to time but we will notify you in line with section 17.2 before doing so.

11.16. You are not entitled to take a one-off withdrawal if this would reduce your plan value to below the minimum plan value. Details of the minimum plan value are in the information leaflet.

11.17. If you have a discretionary asset manager, we will request that they pay us the amount you have requested. The discretionary asset manager will sell assets to pay the one-off withdrawal. We are not responsible for any delay by the discretionary asset manager in paying the amount requested to us.

11.18. If you have nominated the Zurich Portfolio option, your adviser or any investment adviser appointed by them will sell assets to pay the one-off withdrawal. We are not responsible for any delay by your adviser or any appointed investment adviser in selling assets, or by Sterling ISA Managers Limited in paying the requested amount to us.

11.19. This section, 11.19, does not apply if you have nominated the Zurich Portfolio option (see section 9). You can take a one-off withdrawal in your base currency from your transaction account or in pounds sterling, US dollars or euro from any temporary transaction account. If there is an insufficient credit balance in your transaction account or any temporary transaction account in your benefit currency to pay you the one-off withdrawal, you will need to instruct us to exchange money from
the transaction account or any temporary transaction account or sell assets (see section 6). There may be a delay in selling assets as set out in section 6.15. The price at which the assets are sold will be determined as set out in section 6.16. We pay the one-off withdrawal amount to you when all the assets have been sold and the proceeds have been paid into the transaction account or any temporary transaction account. We will convert the one-off withdrawal amount into the currency you want to be paid in as set out in Section 6.9.

11.20. We can provide a one-off withdrawal by:

   a) partially cashing in all the policies in the plan equally. On this basis the cash-in value of each policy will be reduced by an identical amount, or

   b) cashing in one or more of the policies in the plan to meet as near as possible the amount requested. This will reduce the number of policies held under the plan. Any balance of the amount requested will be met by partially cashing in all the remaining policies in the plan equally.

Any policy cashed in for a one-off withdrawal will end on the day we pay the cash-in value to you and no other benefits will be payable under that policy. Any death benefit under that policy will end.

11.21. We will not process your request for a one-off withdrawal until we have received your clear instruction on how you want to take your one-off withdrawal, as set out in section 11.14.

11.22. Each time we receive an additional payment we will recalculate the proportion of the plan value attributable to the initial payment and any additional payment. We call the plan value associated with each initial payment or additional payment an investment layer.

11.23. If we pay a one-off withdrawal in accordance with 11.20a) and you have more than one investment layer, we will cash in the oldest investment layers first.

11.24. If we pay a one-off withdrawal in accordance with 11.20b) and you have more than one investment layer, the withdrawal will be taken proportionately across all investment layers.

12. Full cash-in of the plan

12.1. You can fully cash in your plan by completing a cash-in request form, available from us or your adviser. A cash-in request form can be sent to us by post, fax, or a scanned image by email, subject to section 20.2.

12.2. If we receive your cash-in request form before 12 noon on a business day (subject to section 20.2) we will normally place instructions to sell the assets in your plan within two business days and all instructions to sell assets will be placed within three business days, subject to section 19. We consider cash-in request forms that are received after 12 noon on a business day to have been received on the following business day. If there are any outstanding buy or sell instructions, we will wait for these to complete before placing instructions to sell the assets. The instructions we place will be to sell at the next available price. If you have a discretionary asset manager, the instructions are placed by us with the discretionary asset manager. We are not responsible for any delay by the discretionary asset manager in selling your assets. If you have nominated the Zurich Portfolio option, we will action your cash-in request in line with sections 9.25 to 9.29.

12.3. On full cash-in of the plan, the plan ends on the day we pay the cash-in value to you, and any death benefits provided by the plan will end.

12.4. The amount payable is the plan value when all assets have been sold and the proceeds from their sale have been received in the transaction account less the following deductions:

- a proportion of the yearly charge (see sections 10.2 to 10.3)
- any outstanding fees payable to a discretionary asset manager or within a Zurich Portfolio
- any costs we incur in cashing in your plan.
12.5. We have the right to fully cash in your plan if the plan value falls below the minimum plan value shown in the information leaflet. If we decide to cash in your plan, we will notify you before doing so. We will pay the proceeds to you less any deductions and charges due.

12.6. We will pay you the cash-in value when all the assets have been sold and the proceeds have been paid into the transaction account. There may be a delay in selling assets as set out in section 6.15. The price at which the assets are sold will be determined as set out in section 6.16. We will convert any balance in the transaction account into the base currency as set out in section 6.9. We will convert the balance in the transaction account into the currency you want to be paid in, as set out in section 6.9.

13. Maturity value

13.1. This section applies only to the unit-linked capital redemption version of the plan.

13.2. At the end of the 99-year term, we will normally place instructions to sell the assets in your plan within two business days, and all instructions to sell assets will be placed within three business days subject to the terms in section 19. If there are any outstanding buy or sell instructions, we will wait for these to complete before placing instructions to sell the assets. The instructions we place will be to sell at the next available price. If you have a discretionary asset manager or you have nominated the Zurich Portfolio option, the instructions are placed by us with the discretionary asset manager or Sterling ISA Managers Limited as applicable. We are not responsible for any delay by the discretionary asset manager or Sterling ISA Managers Limited in selling your assets.

13.3. At the end of the term, your plan’s maturity value will be the higher of:

- the plan value when all assets have been sold, and
- twice the value of your initial payment less twice the value of any regular withdrawals you have taken, and reduced each time you take a one-off withdrawal by the proportion of the plan value which you cash in.

We pay the maturity value when all the assets have been sold and the proceeds have been paid into the transaction account. There may be a delay in selling assets as set out in section 6.15. The price at which the assets are sold will be determined as set out in section 6.16. We will convert any balance in any temporary transaction account into the base currency as set out in section 6.9. We will convert the balance in the transaction account into the currency you want to be paid in as set out in section 6.9.

13.4. For the purpose of section 13.3, if the initial payment or withdrawal was not in the base currency it will be converted to the base currency using the exchange rate at the start date of the plan for the initial payment and the date the withdrawal is paid.

14. Death benefits

14.1. This section applies only to the non-qualifying unit-linked whole of life insurance version.

14.2. For the purpose of section 14.6, if the initial payment, additional payment or withdrawal was not in the base currency it will be converted to the base currency on the start date of the plan for the initial payment, on the day it is allocated to the plan for any additional payment or the day it was paid for withdrawals.

14.3. A claim for the death benefit can be made following the death of the last surviving life insured.
14.4. When we receive satisfactory notification of
death before 12 noon on a business day,
we will normally place instructions to sell the
assets in your plan within two business days,
and all instructions to sell assets will be placed
within three business days, subject to section
19. We will contact the person claiming if this
is not the case. We consider satisfactory
notification of death received after 12 noon
on a business day to have been received on
the following business day. If there are any
outstanding buy or sell instructions, we will
wait for these to complete before placing
instructions to sell the assets. The instructions
we place will be to sell at the next available
price. If you have a discretionary asset
manager or you have nominated the Zurich
Portfolio option, the instructions are placed by
us with the discretionary asset manager or
Sterling ISA Managers Limited as applicable.
We are not responsible for any delay by the
discretionary asset manager or Sterling ISA
Managers Limited in selling your assets.

14.5. We will calculate the death benefit when all
the assets in the plan have been sold, the
proceeds have been paid into the transaction
account or any temporary transaction account
and after the balances in any temporary
transaction accounts have been converted into
the base currency as set out in section 6.9.
There may be a delay in selling assets as set
out in section 6.15. The price at which the
assets are sold will be determined as set out
in section 6.16.

**Standard death benefit**

14.6. If the youngest life insured under the plan is
aged under 70 on the start date of the plan,
then we will pay:

- on the death of the last surviving life
  insured, where death occurs before the
tenth anniversary of the start date of
the plan, the greatest of the three
following amounts:
  - the initial payment plus any additional
    payments, less any regular withdrawals you
    have taken, and reduced each time you take
    a one-off withdrawal by the proportion of
    the plan value which you cash in
  - 100.1% of the plan value
  - 110% of the plan value, if death is due to
    an accident as defined in section 14.9.

- on the death of the last surviving life
  insured, where death occurs on or after
the tenth anniversary of the start date of
the plan we will pay:
  - 100.1% of the plan value.

**If you have removed the standard
death benefit**

14.7. Your plan schedule or summary of plan
changes will confirm whether you have
removed the standard death benefit. If the
youngest life insured under the plan is aged
under 70 on the start date of the plan, you
can choose to remove the standard death
benefit. If you choose to remove the standard
death benefit, under the plan we will pay:

- on the death of the last surviving life
  insured where death occurs before the
tenth anniversary of the start date of
the plan, either:
  - 100.1% of the plan value, or
  - 110% of the plan value, if death is due to
    an accident as defined in section 14.9.

- on the death of the last surviving life
  insured where death occurs on or after
the tenth anniversary of the start date of
the plan we will pay:
  - 100.1% of the plan value.
Reduced death benefit

14.8. If the youngest life insured under the plan is aged 70 or more at the start of the plan, then we will pay:

on the death of the last surviving life insured where death occurs before the tenth anniversary of the plan, either:

- 100.1% of the plan value, or
- 110% of the plan value, if death is due to an accident as defined in section 14.9.

on the death of the last surviving life insured where death occurs on or after the tenth anniversary of the plan we will pay:

- 100.1% of the plan value.

Accidental death

14.9. An accidental death is a death resulting from an accident within 28 days of sustaining the injuries. The death must be within 10 years of the start date of your plan and be from a bodily injury that is the direct result of an accidental, external, violent and visible cause. We do not consider a death to be accidental if the injury:

- is purposely self-inflicted, or
- happens as a result of failure to seek or follow medical advice, or
- happens while taking drugs, unless prescribed by a qualified medical practitioner, or
- is directly or indirectly due to war, invasion, act of foreign enemy (whether war is declared or not) or active participation in riot or civil commotion, or
- is caused while travelling in an aircraft except as a fare-paying passenger on a licensed commercial airline, or
- is directly or indirectly due to the use of alcohol, or
- happens while taking part in any criminal act.

Making a claim

14.10. You or the person claiming the death benefit must notify us of the death of the last surviving life insured under the plan.

14.11. We will need proof of identity and satisfactory evidence that the person claiming the death benefit has the legal right to receive the death benefit. The person claiming the death benefit must pay any costs involved in obtaining such proofs and evidence.

14.12. Before we can pay the claim, you or the person claiming the death benefit will have to provide proof of the dates of birth and the dates of death of the lives insured.

14.13. We will also require a grant of probate or administration. We may also need more information such as details of the circumstances of death, if the death of the last surviving life insured is a result of an accident that happens before the 10th anniversary of the start date of your plan. We will tell you or the person dealing with the claim what we need at the time.

14.14. As we are incorporated in Ireland we reserve the right to require that an Irish grant in respect of the estate (or other satisfactory documentation of proof of entitlement to claim) is obtained. In particular, we will exercise this right if it appears to us that there may be a risk of conflicting claims under the plan.

14.15. We will not pay the death benefit until all the conditions above have been satisfied.

15. Change of ownership

15.1. All policies under your plan may be assigned. We will require a deed of assignment signed by the current planholders and the new planholders.

15.2. The deed of assignment should be sent to us at the address shown in the ‘How to contact us’ section (section 27). Once we have received a satisfactory deed of assignment, we will register the change of planholders and return the deed to you.

15.3. If you do not assign all policies under your plan, those policies which you have assigned must be cashed in.
16. Communication with you

16.1. We will send you the following documents:

- **Plan schedule**: This provides details of your initial payment and your plan charges.
- **Cancellation notice**: This gives you the right to cancel your plan within 30 days; it will be sent with your plan schedule.
- **Trading statement**: This provides confirmation of transactions effected in respect of your unit fund (see section 6). Please note that trading statements will not be provided you if you have a discretionary asset manager or you have nominated the Zurich Portfolio option.
- **Summary of plan changes**: This provides details of material changes to your plan made after the start date of your plan.
- **Quarterly statements**: These provide periodic information about the plan value.
- **Chargeable events certificates**: Please see the tax guide for details of when and under what circumstance we will issue a chargeable events certificate.

17. Variation of these terms and conditions

17.1. We may alter the terms and conditions of your plan to the extent that any change is proportionate and reasonably required because of changes to applicable laws and regulations, taxation, official guidance or applicable codes of practice.

17.2. We may also alter the terms and conditions of your plan to the extent that any change is proportionate and reasonably required:

   (a) to take account of a decision by a court, government body, any relevant ombudsman, regulator or industry body, or (b) so that we can administer your plan more efficiently or effectively, or to reflect changes in technology or the insurance industry.

We will write and tell you of any changes to these terms and conditions 30 days before the change where this is reasonably possible. Otherwise we will let you know as soon as we reasonably can.

17.3. In these terms and conditions, where we can use our discretion, make a decision, require information or evidence or use our judgment, then we will do so acting reasonably, proportionately and fairly and in accordance with applicable laws and regulations.

17.4. We may vary the charges on your plan in accordance with section 9.17.

18. Taxes and levies on insured funds

18.1. We deduct from each insured fund appropriate amounts in respect of the following:

- All expenses, taxes, duties and other charges incurred in the buying, selling, management, valuation and maintenance of the holdings of the insured fund including, in the case of land or buildings, the expenses of management, repair, maintenance, valuation and insurance.
- Interest on money borrowed for the account of the insured fund.
- Any liabilities, expenses, taxes, duties, levies (including any levy under the Financial Services Compensation Scheme) or other charges that we are required to pay on behalf of the insured funds in which you are invested.
- Our charges that we can deduct from the insured fund (see section 9).
19. Events outside our control

19.1 Mutual funds and deposit accounts are operated and managed by fund managers and deposit account providers and not managed by us. We are not responsible to you for the actions and decisions of any fund manager or deposit account provider or any provider of custodial services. We are not responsible for the investment growth of any assets you instruct us to buy.

19.2 If you have a discretionary asset manager, it is responsible for ensuring that it invests in assets in accordance with your investment objectives and attitude to risk. We are not responsible for any actions or decisions taken by a discretionary asset manager, including failure to give effect to your investment objectives and attitude to risk.

19.3 If you have nominated the Zurich Portfolio option, it is your adviser’s, or their appointed investment adviser’s responsibility to ensure your plan only invests in permitted assets in line with your investment objectives and attitude to risk. Neither we nor Sterling ISA Managers Limited are responsible for any actions or decisions taken by an adviser or investment adviser, including failure to give effect to your investment objectives and attitude to risk.

19.4 Where you instruct us to buy or sell an asset we will process that instruction in accordance with our obligations set out in section 6.13. In some circumstances there may be additional delay in the processing of an instruction or it may not be possible to process an instruction due to events that are outside our control. Events outside our control include, without limitation: suspension of subscriptions, redemptions, or trading in respect of a mutual fund or insured fund, failure of a fund manager or other relevant third party entity to process transactions in a mutual fund or insured fund, the insolvency of a fund manager, deposit account provider or other entity relevant to the operation of the mutual fund or insured fund or the deposit account, market closure which prohibits us from buying and selling permitted assets. We will not be responsible for delay or failure to place an instruction where the delay or failure is caused by such an event.

20. General terms

20.1 We do not provide any advice about the assets in your unit fund. The fact that a permitted asset is available for investment does not imply that it is necessarily suitable for you. You should seek your own advice from a suitably qualified person.

20.2 We will only process your written instructions that we receive by post, fax or email (including any scanned images) if it is legible and complete.

20.3 Your contractual relationship is with us only and you do not have any recourse to a mutual fund or insured fund in which you have instructed us to invest (or to the underlying investments within such funds) or to a deposit account. If a permitted asset in which we invest does not meet its obligations to us or the return to us is for any reason insufficient to enable us to meet claims in respect of your plan, then we will not make up any difference. The benefits of your plan will reflect this. This could arise if, for example, and without limitation, an insolvency event occurred with respect to a fund manager or deposit account provider or any third party connected with that fund manager or deposit account provider.

20.4 You are responsible for the following:

- letting us know if you are thinking of moving abroad. The Zurich International Portfolio Bond is designed for plan holders who are resident in the United Kingdom. If you decide to move abroad, it may be that the laws and regulations of the country you move to affect our ability to continue to administer your plan in line with these terms and conditions. For example, we may not be able to continue to accept instructions from you in relation to your plan, such as instructions to switch funds. If you are thinking of moving abroad, it’s important that you contact us so we can tell you whether we can continue to administer your plan in line with these terms and conditions.

- letting us know if your name or address changes. Please do this as soon as possible, otherwise we may send confidential information about you and your plan to your old address.
• keeping secret and safe any documents about this plan. You must let us know straight away if you know of or suspect identity theft, and

• regularly reviewing your plan and its benefits, including your choice of assets and (if relevant) any discretionary asset manager that you have nominated or the Zurich Portfolio option, to ensure they remain appropriate for you.

21. Data protection

22. Applicable law
22.1. The plan and these terms and conditions are subject to English law.

23. Compensation
23.1. We participate in the Financial Services Compensation Scheme in the UK. This means that if you are habitually resident in the UK when you enter into your plan, you may be entitled to compensation from the Financial Services Compensation Scheme if we are unable to meet our obligations to you. Whether or not you are entitled to compensation will depend on whether you are an eligible claimant and the circumstances of your claim. The amount you will receive will depend on the Financial Services Compensation Scheme rules.

If you want more information on the Financial Services Compensation Scheme, you can contact the Financial Services Compensation Scheme helpline on 020 7892 7300, visit the Financial Services Compensation Scheme website at www.fscs.org.uk or write to the Financial Services Compensation Scheme at the following address:

Financial Services Compensation Scheme
10th Floor, Beaufort House
15 St Botolph Street
London EC3A 7QU

23.2. Please note that you would only be entitled to compensation under the Financial Services Compensation Scheme if we are unable to meet our obligations to you. However, you would not be entitled to compensation under the Financial Services Compensation Scheme if you suffered a loss as a result of a third party who provides services or investments in connection with your plan becoming insolvent or otherwise being unable to meet its obligations. So, for example, if you have a discretionary asset manager, have nominated the Zurich Portfolio option and/or the assets you choose to hold in your plan were provided by or through a fund manager, an exchange or deposit account provider, then you would not be protected by the Financial Services Compensation Scheme if the discretionary asset manager, Sterling ISA Managers Limited, fund manager or deposit account provider became insolvent or was otherwise unable to perform its obligations. Based on our understanding of the current Financial Services Compensation Scheme rules, we would not be able to claim under the Financial Services Compensation Scheme in respect of the assets in your plan either in this situation.

23.3. If the relevant third party (e.g. a discretionary asset manager, fund manager or deposit account provider) is not based in the UK, it is possible that either you or we may be entitled to compensation under a compensation scheme in the country where the third party is based. The availability of compensation in this situation is likely to depend on whether a compensation scheme exists, whether we (an Irish incorporated company) or you are eligible to claim under it, and the criteria for the payment of compensation. We cannot give more information about compensation schemes outside the UK. You may wish to ask your adviser to find out more about any such schemes.

23.4. There is, therefore, a risk that we may not be able to recover the full value of any asset within your plan which may have been made with or through a third party. If so, we are not liable for any shortfall or reduction in the value of your plan that results from this.
24. How to complain
If you need to complain about your plan, please contact us. We will fully investigate your complaint and seek a full resolution. Our complaints procedures are available on request.

If you are not satisfied with our response, you can complain to the Irish Financial Services Ombudsman:
Financial Services Ombudsman
3rd floor, Lincoln House
Lincoln Place
Dublin 2
Ireland
Telephone: +353 1 662 0899
Email: enquiries@financialombudsman.ie

If your complaint relates to advice you received from a UK-based adviser, you should complain directly to them. If you are not satisfied with their response, you can complain to the UK ombudsman:
Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London E14 9SR
UK
Telephone: 0800 023 4567 or 0300 123 9123

25. Your instructions
Communication to us in relation to your plan (including, without limitation, applications, instructions, documentation) will only be received by us if received on a business day at the postal address, email address or fax number set out in section 26 (subject to section 2.4), in satisfactory written form (in accordance with section 20.2) and duly signed by all planholders (where appropriate).

26. Other information
If you move to live outside the United Kingdom
The Zurich International Portfolio Bond is designed for customers who are resident in the United Kingdom. We do not offer tax advice so, if you decide to live outside the United Kingdom, we recommend you obtain independent advice on the tax consequences of changing your country of residence in relation to your plan.

27. Disclosure
You authorise us to disclose to any tax authority including Her Majesty's Revenue and Customs (HMRC), the Irish Revenue Commissioners, any regulatory authority, the police or such other persons, as required by law or as otherwise required, so we can carry out our duties under these terms and conditions, any information they may require in relation to you and your accounts. In addition you authorise us to comply with any other tax obligations of the UK, Ireland or elsewhere applying to Zurich Life Assurance plc or the Zurich Insurance Group, including tax reporting and the deduction of any withholding tax.

28. How to contact us
If you want to contact us, you can write, phone, email or fax:

Write to:
Zurich Life Assurance plc
Zurich Centre
PO Box 1076
Bishops Cleeve
Cheltenham
Gloucestershire
GL50 9NR
UK
Telephone: 0370 850 6130
Monday and Friday 8.00am to 6pm (we are not open on public holidays in England).
We may record or monitor calls to improve our service.

Email:
enquiries@zurichipb.com – for general enquiries.
trading@zurichipb.com – for trading instructions.
To send trading instructions by email, scan the fully completed trading form and send the file as an attachment.

Fax: 0370 850 5860
Keep in touch

It’s important that we keep in touch, so if you change your address or any of your contact details, please let us know.

We’d like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in large print or braille, or on audiotape or CD.

If you are a textphone user, we can answer any questions you have through a Typetalk operator. Please call us on 18001 0370 850 6130.

Or, if you prefer, we can introduce your adviser to a sign language interpreter.
Please let us know if you would like a copy of this in large print or braille, or on audiotape or CD.