

## POLICY CONDITIONS

### THE CONTRACT

These Policy Conditions and the Policy Schedule, which are issued on the basis that the details given in the Application Form and any other written statements made by the Policyholder(s) and/or the Life (Lives) Assured are true to the best of their knowledge and belief, shall together with the Application Form comprise the Contract between the Policyholder(s) and the Company.

The Contract comprises several identical Policies as shown by number on the Policy Schedule. Unless otherwise stated herein these Conditions shall apply to all individual policies comprised within the Contract, and any reference herein to a Policy shall be construed as applying to all Policies within the Contract.

### PAYMENT OF PREMIUMS

The Total Single Premium on these Policies must be paid before or upon the Commencement Date.

The Total Single Premium will be applied equally to each individual Policy shown in the Policy Schedule to secure the benefits described within these Policy Conditions.

### BOND TYPE

This Policy is available as any one of several Bond Types. Each type is subject to a different optional charging structure, which the Company specifies and publishes in its literature.

The amount of the Total Single Premium net of the charges appropriate to the selected Bond Type and after any enhancement that may be due on account of the size of the Total Single Premium, is known as the Allocation Amount.

### THE FUNDS

Funds in which units can be allocated will be made available by the Company from time to time, the details of which will be published in its literature.

If considered reasonable by the Company the Company reserves the right to add or withdraw any Fund(s) at any time without notice.

### FUND VALUATION AND UNIT PRICES

For the purposes of determining the Benefits due under this Policy, each Fund is split into a number of notional Units of equal value.

The Funds will be valued on each Valuation Date at the Company's discretion. Valuation Dates will normally be each business day. The method of valuing the Fund and the calculation of the Offer Price of a Unit (the price at which Units are allocated) and the Bid Price of a Unit (the price at which Units are cancelled) effective on each Valuation Date will be determined by the Actuary.

Unit Prices are effective from and including a Valuation Date until but excluding the next following Valuation Date.

The Company will deduct a regular management charge from the assets belonging to the Fund(s). The Company reserves the right to change the amount of charge on the advice of the Actuary at any time by such reasonable amount it deems appropriate, subject in each case to giving not less than three months' prior written notice to each Policyholder with units allocated in the affected Fund(s). Notice posted to Policyholder(s) at their last recorded address held by the Company will be deemed to have been received 48 hours after posting.

In addition to a regular management charge, the Company may deduct from the assets belonging to the Fund(s) amounts it deems appropriate for, but not limited to; costs, fees or charges associated with acquiring, disposing of or maintaining the assets of the Fund(s), fund manager's fees, liabilities, potential liabilities, taxes and duties. The Company reserves the right to reasonably vary the amounts deducted as described herein at its discretion, without notice.

#### UNIT ALLOCATION

On the Commencement Date of the Policy units in the Fund calculated at the Offer Price will be allocated to the Policy.

The number of units allocated is determined by dividing the Allocation Amount by the Offer Price of the Fund effective on the Valuation Date following the Commencement Date.

The effective date used to determine the Offer Price may be varied in reasonable circumstances at the Company's discretion on the advice of the Actuary.

Unit allocation is made solely for the purposes of calculating the benefits provided by the Policy and the Policyholder(s) has no legal or beneficial interest in the Units, the Fund(s) nor their underlying investments.

#### DEATH BENEFIT

In the event of the death of the Life Assured, or the death of the surviving Life Assured in the case of Joint Life Policies, the benefit payable will be equal to 101% of the value of the Units remaining allocated to the Policy in each Fund(s) calculated at the appropriate Bid Price(s) on the Valuation Date immediately following the date of notification of death.

Payment of the Death Benefit will only be made by the Company upon delivery to its Principal Office of the Policy Schedule and these Policy Conditions together with proof that is satisfactory to the Company of:

- (i) the death of the Life (Lives) Assured
- (ii) the age of the Life (Lives) Assured
- (iii) the title of the claimant
- (iv) any other documents or information as the Company may reasonably require which may include a grant of representation recognised by Irish law.

Any costs incurred in meeting these conditions shall be borne by the Policyholder(s) or the claimant.

The payment of the Death Benefit will result in the termination of the Contract and all of its benefits.

#### CASH WITHDRAWALS

For the purposes of these Policy Conditions the term "cancelled" refers to Units being deducted from the total number of Units allocated to the Policy so that assets in the underlying Fund(s) to the value of the Units cancelled become the absolute property of the Company.

The Policyholder(s) may, either as specified from time to time in the Application Form or at any time subsequently upon written application to the Company at its Principal Office in the form that it specifies for that purpose, request that the Company cancels some or all of the Units allocated to the Policy in order to provide for the withdrawal of a single cash sum at any time or for regular cash sums on fixed Payment Dates subject to the following conditions:

- (i) Any amount withdrawn must exceed the minimum as specified by the Company from time to time and published in its literature.
- (ii) The amount remaining allocated to Units after a partial withdrawal must exceed the minimum as specified by the Company from time to time and published in its literature.
- (iii) Regular withdrawals of amounts and frequency as specified by the Company and published in its literature may be requested by the Policyholder(s) and withdrawn automatically on regular Payment Dates subject to the minimum specified in (i) above. The charge described in (vi) below shall not apply to withdrawals made in this way. Regular withdrawals for any other amounts agreed by the Company will be made in a similar way, except that the charge described in (vi) below shall apply.
- (iv) Regular withdrawals will be made on each Payment Date and the amount of each withdrawal will be calculated so that units allocated to the Policy to the value of the amount of the withdrawal (valued at the Bid Price) will be cancelled in respect of each withdrawal and subject to any charge as described in (vi) below, if applicable.
- (v) For withdrawals other than regular withdrawals the amount withdrawn will be calculated so that units allocated to the Policy to the value of the amount of the withdrawal (valued at the Bid Price) will be cancelled in respect of each withdrawal and subject to any charge as described in (vi) below, if applicable.
- (vi) Where the Bond Type selected is such that an early withdrawal charge applies to the Policy for a period following the Commencement Date, then this charge will apply for the purposes of paragraphs (iii), (iv) and (v) above unless the withdrawal is a regular withdrawal agreed by the Company as described in (iii) above and the amount of such regular withdrawal in a Policy Year is less than or equal to 5% of the initial investment. For the purposes of these Policy Conditions a "Policy Year" is a period of twelve months following either the commencement date of the Policy or a Policy anniversary.
- (vii) Units cancelled in respect of regular withdrawals will be cancelled proportionately across all Policies in force at the date of cancellation at the Bid Price to the value of the withdrawal in respect of every withdrawal. Other withdrawals will normally be effected by cancelling all Units allocated to one or more individual Policies, or part thereof.
- (viii) A withdrawal resulting in the total cancellation of all Units allocated to all Policies shall result in the termination of this Contract and all of its benefits.
- (ix) A withdrawal resulting in the remaining Policy Fund being less than the Company's then required minimum will result in the total cancellation of all units with the resulting moneys being paid to the Policyholder(s) (subject to any charge as described in (vi) above) and this Contract and all of its Benefits being terminated.

## SWITCHES

For the purposes of these Policy Conditions the term "switches" refers to cancelling some or all of the units allocated to the Policy in one or more Fund(s) and allocating units to the Policy in one or more other Fund(s).

The Policyholder(s) may, upon written application to the Company at its Principal Office in the form that it specifies for that purpose, request that the Company switches some or all of the Units allocated to the Policy between any of the Funds that the Company makes available for this purpose, subject to the following conditions:

- (i) Provided that such application is received by the Company within the required period of notice that it specifies from time to time for this purpose and publishes in its literature and subject to (vii) below, the effective date of the switch will be the Valuation Date following the receipt of a satisfactory application. The Valuation Date will be the applicable Valuation Date for each individual Fund.
- (ii) Units to the value of the amount to be switched between Fund(s) (valued at the Bid Price at the effective date of the switch) will be cancelled in the Fund(s) from which the switch is to be made,

- (iii) Units to the same value (at the Bid Price at the effective date of the switch) less any charge levied under (iv) below will be allocated to the Fund(s) into which the switch is being made.
- (iv) Before allocating the amount to be applied to the Fund(s) required to be switched into, the Company may deduct a charge to be specified from time to time and published in its literature.
- (v) The Fund(s) from which a switch is made may have a different charging structure from the Fund(s) to which the switch is made.
- (vi) Switches are subject to units of a minimum amount (as set out in the Company's literature from time to time) remaining allocated in any Fund(s) in which Units remain allocated.
- (vii) In effecting switches units will be cancelled proportionately from all Policies in force at the effective date of the switch to which units in the Fund(s) are allocated.
- (viii) The Company reserves the right to defer or decline a request to switch where in the reasonable opinion of the Company such switch would be detrimental to others of the Company's policyholders.

### LEGISLATION

This Contract shall be governed by and interpreted in accordance with Irish Law. Should jurisdictions other than that of Ireland attempt to assert any right over the Policy the Policy will be terminated at the discretion of the Company.

The Company reserves the right to make any such alterations to the Benefits or in the terms of this Contract as the Actuary shall consider necessary or equitable in the circumstances in the event of:

- (i) Any levy, assessment or other charge being imposed or made on the Company pursuant to any legislation enacted such as to provide for compensation to, or protection of policyholders.
- (ii) Any change in Irish Law or other jurisdiction relevant to the Company.
- (iii) Any change in the basis of the assessment to tax of the Company under Irish Law or other jurisdiction relevant to the Company.

### ENDORSEMENTS

Where any change is made to the terms of this Contract in accordance with any of the Conditions contained herein the Company will note the change in its records but will not necessarily issue an endorsement unless the Company considers it appropriate to do so.

### ASSIGNMENTS

All Notices of Assignment affecting this Contract must be given in writing to the Company at its Principal Office.

### RESIDENCE

This Bond is not available if the Policyholder(s) and/or any designated beneficiaries are United States Persons for United States ("U.S.") Federal Income Tax purposes and in relation to these Policy Conditions: -

- (i) the term "U.S." shall mean United States.
- (ii) a U.S. Person is a citizen or resident of the United States, a U. S. corporation or partnership or any trust which is controlled by one or more U.S. Persons and is subject to the supervision of a U.S. court.

The Policyholder(s) must inform the Company in writing at its Principal Office within thirty (30) days if any of the above conditions has become or may have become applicable in relation to this Bond.

If any of these conditions apply during the duration of this Bond, then:

- (i) the Company may terminate this Bond by notice in writing to the Policyholder(s) with immediate effect, in which case the Company will proceed in the same manner as if the Policyholder(s) had given notice for the Encashment of the whole of this Bond, and
- (ii) whether or not the Bond is terminated immediately, the Company reserves the right to withhold an appropriate part of the policy benefits in the event that the Policy becomes subject to taxes or other such levies for which the Company has to make a deduction.

If at any time during the term of this Contract it comes to the Company's attention that any of the above conditions applied at the time the Application for this Bond was made, the Company will consider the Bond to have been null and void and will return the Initial Investment and any Additional Investment paid, less an adjustment to reflect any shortfall between that amount and the value of the Assets underlying the Bond at that time and any costs incurred by or charges due to the Company.

A Policyholder who becomes resident or ordinarily resident in Ireland as defined in the Residence Definitions described in the Application Form for this Contract is required to inform the Company in writing at its Principal Office accordingly.

The Company reserves the right to withhold an appropriate part of the Policy Fund in respect of tax due to the Irish Revenue Commissioners in the absence of a declaration of non-residence being completed to the satisfaction of the Irish Revenue Commissioners in a format as laid down by them from time to time.

The Company reserves the right to withhold an appropriate part of the Policy Fund in the event that the Policy becomes subject to taxes or other such levies for which the Company has to make a deduction.

#### CLAIMS, CURRENCY AND PAYMENTS

The Company reserves the right to withhold payment of any sort relating to the Policy unless and until it has received all reasonable information and documentation in order to satisfy itself as to the claimant(s) legal title to the Policy and the Benefits from the Policy and adequate confirmation of the claimant(s) country of residence.

Premiums and Benefit payments shall be paid to and from the Company respectively in whichever currency the Company agrees and at whatever place the Company shall decide. The Company's relevant terms and requirements from time to time will be published in its literature.

#### DEFINITIONS

'Company' – AIG Life (Ireland) Limited

'Actuary' – The Appointed Actuary to the Company

'Principal Office' – AIG Life (Ireland) Limited, AIG Centre, North Wall Quay,  
Dublin 1, Ireland

'Policyholder(s)' – The Policyholder(s) shown in the Policy Schedule or any  
other person(s) or body(ies) having legal title to the Policy.