

Navigator for Personal Pensions

Policy Document - Terms and Conditions

Form 169 GSE 07/08

Navigator for Personal Pensions

Policy Document - Terms and Conditions

These are your policy terms and conditions for your Navigator for Personal Pensions. **You should read the document carefully as it contains detailed and important information.** Please keep them safe in your policy pack, as you will need them in the future.

What is a pension policy?

This pension plan is a contract between you and Irish Life Assurance plc (we, us) and is designed by us to provide certain benefits from your chosen retirement age. It may also provide life cover if you die before the chosen retirement age.

You will find details of the policy in this terms and conditions booklet, the member certificate, the schedule, the application form, and any extra conditions (endorsements) which we may add to it. Any conditions or extra rules we add in the future, if you agree, also form part of the plan and may only be added by authorised staff at our chief office. Together they form the terms and conditions of the plan.

We have issued this plan to you on the understanding that the information in the application form and any related correspondence is true and complete and that we have been given all relevant information. If this is not the case we will be entitled to declare the plan void. If this happens you will lose all your rights under the plan, we will not pay any claim and we will not refund any payments. Information is relevant if it would influence the judgement of a reputable insurer when fixing the payment or the level of benefits, or in deciding whether to provide cover at all.

We will pay benefits from our Chief Office in Ireland, the Irish Life Centre, Lower Abbey Street, Dublin 1. All payments and benefits under this plan will normally be paid in euro.

In legal disputes Irish law will apply and Irish courts are the only courts which are entitled to hear any disputes. The only terms or conditions that are legally binding are those shown in our contract with you.

More detailed information on all these matters is in the relevant sections of these terms and conditions.

How does the plan work?

You must pay the premiums in the amounts and on the dates described in the member certificate in return for the benefits described in the member certificate. We describe the benefits in greater detail later on in these terms and conditions.

When will the benefits be paid?

We will normally pay the benefits when you retire at the nominated retirement age. The nominated retirement age is shown in the member certificate. We must pay benefits to you if you die before this age.

How are the benefits paid?

We will pay you the benefits in the way you choose to receive them. However, this will be subject to conditions imposed by the Revenue Commissioners.

You, or your chosen dependants, are entitled to receive all of the benefits outlined in this policy except the death benefit. If you die, we will pay the death benefit to your executors or administrators.

Writing to us

If you need to write to us about this policy, please address your letter to:

Irish Life Assurance plc.
Irish Life Centre
Lower Abbey Street
Dublin 1

Cooling-off period

If, after taking out this policy, you feel that it is not suitable, you may cancel it by writing to us at the above address. If you do this within 30 days from the date we send you your policy (or a copy), we will cancel your policy. Your contribution, less any decrease in investment values over the period of the investment, will be repaid in line with Revenue rules. We strongly recommend that you contact your broker or financial adviser before you cancel your policy.

Complaints

We will do our best to sort out any complaint you may have. If you are not satisfied after complaining to us, you can take your complaint to the Financial Services Ombudsman. You can get more information from:

Financial Services Ombudsman's Bureau
3rd Floor
Lincoln House
Lincoln Place
Dublin 2.

Family law and pensions

If you are involved in a judicial separation or a divorce, a pension adjustment order may be granted by the Courts over the benefits payable from this policy on your retirement or death. Further information on how pension adjustment orders work is available from the Pensions Board or your solicitor.

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Definitions

This section defines some of the words and phrases we use in the terms and conditions.

Certain words and phrases used in these terms and conditions have specific meanings, which might be different from the meaning they would have in general use. These words are shown in bold and listed below together with an explanation of their meanings in relation to this policy.

Accumulated fund - the policy's value at a point in time. We work this out as:

the number of units allocated to the policy
multiplied by
the bid price of the units of the funds.

We may use a market value adjuster with any part of the accumulated fund that is invested in the Secured Performance Fund or the Capital Protection Fund (previously name Exempt Guaranteed Fund)(see paragraphs 4.5 and 4.6).

Annuity - a guaranteed payment made every month, for the month, until death.

Application form - the application form for this policy. It includes any extra information given to us about the policy or any other relevant information.

Approval - approval from the Revenue Commissioners.

Approved Minimum Retirement Fund – a fund which is managed by a Qualifying Fund Manager and which complies with the conditions of Chapter 2 of Part 30 of the TCA for this type of fund.

Approved Retirement Fund – a fund managed by a Qualifying Fund Manager and which complies with the conditions of Chapter 2 of Part 30 of the TCA for this type of fund.

Bid price – the price of a unit of a fund, which we use to work out the value of the policy for each fund. This is the price we use when cancelling units from the policy.

Consumer Price Index - the Consumer Price Index published by the Irish government to measure inflation. (If this is not available, we will use an appropriate alternative.)

Contribution cover - an optional policy benefit. If this benefit is chosen, premiums may be stopped for a period if you are disabled. We will place units into the unit account as though the regular premium was being paid. (See paragraphs 3.21 to 3.29)

Dependant - your spouse or child or any other person who depends on you financially immediately before your death. For this purpose a child includes a step-child or legally adopted child.

Disabled - when you suffer from an illness or injury which totally prevents you from carrying out your normal occupation and you are not following any other occupation. This inability must be confirmed by our Chief Medical Officer. The injury or sickness must have begun after the start date of the policy, or after the date contribution cover was added to the policy. The occupation refers to the occupation shown on the application form or any other more recent job accepted by us.

Endorsement - if the terms and conditions of the policy have been changed or are different to the standard terms, the new or amended terms or conditions will be set out in a separate document which will be attached to the policy. This is called an endorsement.

Fund - any of the funds described in the panel of funds.

Fund link - the fund or combination of funds in the panel of funds to which the policy is linked.

Investment date – generally the date on which a premium is due. If premiums are paid on a date other than the date on which they are due, we reserve the right to invest the premium on the date it is paid. .

Investment factor - the percentage of the premium that we invest for you as described in section 5.

Life assured – the person on whose life the policy benefits depend. This is the person named in the member certificate.

Life cover - the amount we will pay on your death, while the policy is in force.

Market value adjuster - an adjustment to reduce the value of units of the Capital Protection Fund (previously named the Exempt Guaranteed Fund) or the Secured Performance Fund in certain circumstances as set out in paragraphs 4.5 and 4.6.

Member certificate - the member certificate that forms part of this policy and which would have been issued to you at the date this plan was taken out.

Nominated retirement date – the date shown in the member certificate which is the date on which the accumulated fund will be available to buy retirement benefits in accordance with the terms of section 3.

Offer price - the price which we use when allocating units to your unit account.

Panel of Funds - the panel of funds includes the following funds and any other funds that we may add from time to time:

Consensus Fund (Series 8)
Exempt Active Fund (Series 8)
Exempt Cash Fund (Series 8)
Capital Protection Fund * (Series 8)
Exempt Property Fund (Series 8)
Fidelity Managed International Fund (Series 8)
Gartmore Managed Fund (Series 8)
Indexed Global Equity Fund (Series 8)
Irish Life International MAPS Fund (Series 8)
KBC Asset Managed Fund (Series 8)
Secured Performance Fund (Series 8)
Harvest Growth Fund (Series 8)
Harvest Protection Fund (Series 8)

For single premium contributions the following panel of funds applies and any other funds that we may add from time to time:

Consensus Fund (Series 4)
Exempt Active Fund (Series 4)
Exempt Cash Fund (Series 4)
Capital Protection Fund * (Series 4)
Exempt Property Fund (Series 4)
Fidelity Managed International Fund (Series 4)
Gartmore Managed Fund (Series 4)
Indexed Global Equity Fund (Series 4)
Irish Life International MAPS Fund (Series 4)
KBC Asset Managed Fund (Series 4)
Secured Performance Fund (Series 4)
Harvest Growth Fund (Series 4)
Harvest Protection Fund (Series 4)

* Previously named Exempt Guaranteed Fund

At any stage we can change the range of fund options that are available. If you are invested in that fund, we will give you at least one months advance notice. You will have the option to switch out of your investment into any of the other funds that are open at that time.

Premium due date - the date on which premiums should be paid to us. You will choose how often you pay premiums and this will be shown on the application form. There will be no premium due date later than your 75th birthday or the date of your death.

Qualifying Fund Manager – is defined in Chapter 2 of Part 30 of the TCA. Irish Life is a qualifying fund manager.

Regular premiums - any regular premium as shown in the member certificate or otherwise paid according to the terms of this policy. It includes any increases in

regular premiums (see paragraph 2.4). It does not include any single premiums paid on a one-off basis.

Retirement benefits – cash, annuity or other benefits provided by the accumulated fund.

Schedule – a document which gives details of your plan and which forms part of this contract.

Single premium - a premium which is not a regular premium.

Start date of the policy - is the date stated in the member certificate.

Specified Income - a pension or annuity which is paid for the life of the individual including a pension paid under the Social Welfare (Consolidation) Act 2005. Specified income is defined in Chapter 2 of Part 30 of the TCA.

Suspension - where we have agreed that regular premiums can be stopped for a fixed period (see paragraph 2.7).

TCA – the Taxes Consolidation Act 1997.

Unit - each fund in the panel of funds contains a number of identical units that are called premium units. We will calculate the value of each premium unit by referring to the net value of the assets of the fund after deductions. We set aside a number of these units for the policy to calculate its value.

Unit account – the number of units allocated to your policy in each fund.

We, us, our - Irish Life Assurance plc.

Your, you – the person named as the life assured in the member certificate.

Premiums

This section describes your obligations to pay premiums and explains what happens if you fall behind with them.

- 2.1 Premiums must be paid as described in the member certificate.
- 2.2 We allow you 30 days to pay each premium unless the premium is paid in monthly instalments in which case this period is 10 days. If any premium is not paid within these periods, we will assume payments have stopped under the policy (see paragraph 2.8) unless the option to suspend premiums under paragraph 2.7 has been chosen.
- 2.3 Each time a premium is paid we place units from one or more of the funds into the policy according to the terms of the latest fund link and in the way described in section 5. We use the unit offer price of each fund to work out the number of units from each fund, which we will place in the policy. In certain funds there may be a maximum amount you are allowed to invest.

2.4a Non-automatic increases in regular premiums

You may write and ask to increase the regular premium giving at least one calendar month's notice. Any increase must be at least as large as the minimum we allow. This minimum amount may vary depending on the particular fund. There may be restrictions on increasing your regular payment into certain funds.

2.4b Automatic increases in benefits and premiums

On each anniversary of the start date, we will increase the life cover (if any) and regular premium by:

- the rate of increase in the Consumer Price Index for the previous calendar year; or
 - any minimum rate we decide;
- whichever is greater.

In making this assessment we will take account of other assurance benefit increases which apply in the insurance industry.

At the time of printing (October 2008) the minimum increase we specify is 5%. This percentage is given as a guide only. The actual increase will depend on the circumstances at the time.

The following also applies:

- If you turn down any increase in life cover, we will not automatically give a further increase in life cover without seeking evidence of health.
- We may use an index other than the Consumer Price Index to work out the rates that apply. We may also use a period other than one ending on an anniversary of the start date of the policy.

- If we do not receive the increased premium within the stated period (as defined in paragraph 2.2) we will assume you have turned down the increase in life cover or premium.
- We have the right to restrict the normal amount of the automatic increase in the life cover, if the amount we must pay on your death under all policies would be more than our current assurance limit, which will not be less than €15,000.

We do not need any evidence of health for increases under paragraph 2.4b.

2.5 Reducing regular premiums

You may write to us and ask us to reduce the regular premium by giving one month's notice. This only applies if the policy has been in force for one year. The reduced regular premium must be at least as large as the minimum we allow.

2.6 Option to pay single premiums

You may pay single premiums to us depending on any fund restrictions that may exist at that time. There may be restrictions on investing in certain funds (see section 4). There may also be restrictions imposed by the Revenue Commissioners. The single premiums may not be less than the minimum amount we allow. We will add units to your account for your single payment based on the investment price of units on the day we receive your payment at Chief Office. This minimum amount may vary by fund.

2.7 Suspending regular premiums

As long as the policy has been in force for one year, you can suspend the regular premiums.

This option is available only if you give us written notice of the suspension period, at least one month before the next premium due date.

If this option is used, the following will apply:

- The policy will continue in force and any charges that apply before the suspension period will continue to apply for the suspension period. If the value of the accumulated fund falls to zero, the policy will end without a value and we will not pay any benefits.
- If life cover benefit applies, this continues unless:
 - (i) you request otherwise in writing; or
 - (ii) during the suspension period the value of the accumulated fund falls to zero.

If you want to reinstate the policy, the terms of paragraph 2.10 will apply.

You must continue to pay the regular premium at the end of the suspension period. If this does not happen, the policy will become paid up (see paragraph 2.9).

We will not provide contribution cover until six calendar months after regular premiums have started again.

2.8 Discontinuing regular premiums

- If regular premiums are unpaid without notice and a suspension has not been chosen and one full year has not passed since the start date, we will not pay any benefit. If you have paid a single premium, the policy will stay in force as a paid-up policy (see paragraph 2.9).
- If premiums are unpaid without notice and a suspension has not been chosen but more than one full year's regular premiums have been paid, the policy will stay in force as a paid-up policy from the date of the first unpaid premium.

2.9 Paid-up policy

A policy will become a paid-up policy in the following circumstances:

- if regular premiums are unpaid without giving us notice and a suspension has not been chosen, as described in paragraph 2.8.
- if you choose to have the policy changed to a paid-up policy. You can do this as long as at least one full year's regular premiums have been paid. You can maintain the life cover or cancel the life cover (if this applies). If you cancel the life cover, the charge for life cover will stop, but the charge for the policy fee will continue.

If a policy has become a paid-up policy:

- The accumulated fund will remain invested in the fund(s) you have chosen until you decide to take retirement benefits, have attained age 75 or until you die.
- Life cover will continue at the level which applied when the first unpaid premium became due (except if you have asked us to cancel it), as long as there is enough value in the accumulated fund to cover the cost of this benefit and other policy charges. Contribution cover benefits and charges cease when the policy is made paid-up. If the value of the accumulated fund falls to zero, the policy will end without value and we will not pay any benefit.
- If you are eligible to receive retirement benefits immediately, we will use the accumulated fund to provide them. All benefits under the policy will end on that date and the policy will also end.
- We will cash in all of the policy if you are transferring your fund to another Retirement Annuity Contract approved under Chapter 2, Part 30 of the TCA or a Personal Retirement Savings Account approved under Chapter 2A, Part

30 of the TCA as described in paragraph 3.8. The amount we will pay to you will be the accumulated fund at the date we cash in units in the fund. On this date the policy will end.

2.10 Reinstating the policy

If you have suspended regular premiums or discontinued them under paragraphs 2.7, 2.8 or 2.9 and the policy has not been paid-up, you may ask us to reinstate the policy.

We will ask for evidence of your health if contribution cover or life cover applies if these benefits have ended.

We will reinstate the policy on the understanding that the information given in the evidence of health form and any related document is true and complete and that all relevant information has been provided. If this is not the case we will be entitled to declare the policy void. If this happens you will lose all your rights to life cover under the policy, any claim will not be paid and we will not refund any premiums. Information is “relevant” if it might influence the judgement of a reputable insurer when fixing the premium or the level of benefits; when deciding whether to reinstate cover at all; or when deciding whether to attach conditions.

We will also charge a fee to cover the administration cost of reinstating the policy. We may refuse to reinstate the policy if the evidence of health shows a change in the state of your health from that given on the application form.

Benefits

Family law and pensions

The benefits we pay below are decided by you, and are only provided if you decide. However, if you are involved in a judicial separation or divorce, a pension adjustment order may be granted by the court. This will direct us to pay all or part of the benefits under this plan when you retire or die, to any person named in the pension adjustment order. A pension adjustment order issued by the court will override the terms and conditions of this plan.

This section explains the benefits that are provided by the plan.

When is it possible to take retirement benefits?

3.1 You can use your accumulated fund to provide retirement benefits at the earliest of the times set out below:

- (a) Your 75th birthday or other nominated retirement date specified.
- (b) The first day of the month (between your 60th and 75th birthdays) after you tell us in writing that you wish to claim retirement benefits.
- (c) The first day of the month (before your 60th birthday) after you give us evidence of your disability and you tell us in writing that you wish to claim retirement benefits due to serious ill-health. Revenue will allow you take your benefits before age 60, provided we receive medical evidence to show that you are in serious ill-health. The Revenue's current definition of serious ill-health is that you are "permanently incapable, through infirmity of mind or body, of carrying on your own occupation or any occupation of a similar nature for which you are trained or fitted".
- (d) The first day of the month (between your 50th and 60th birthdays) after you give us evidence that your job is one in which people usually retire before their 60th birthday and you tell us in writing that you wish to claim retirement benefits. You must have reached the age which has been approved by the Revenue Commissioners as defined in Chapter 2 of Part 30 of the TCA.

All payments made under this plan must be within the Revenue Commissioners limits as described in the rules.

The accumulated fund will remain invested in the fund(s) you have chosen until you decide to take retirement benefits, have attained age 75 or until you die.

Before we pay out the accumulated fund, we must check that it is within the limits outlined in current legislation for tax purposes. This is summarised in section 7. Any fund over this limit will be liable to income tax before benefits are paid out.

What benefits are currently available?

Tax-free lump sum

- 3.2 You can take a lump sum of up to 25% of your accumulated fund as a cash amount tax-free. This is subject to limits for tax purposes, as described in section 7. The rest of your fund must be used to provide one or more of the other options described below. You do not have to take a tax-free lump sum. You could opt to use your full accumulated fund to provide one or more of the options described below.

Annuity benefit

- 3.3 You can choose to take an immediate single or joint life annuity option that we have available at the time you retire. Our annuity rates at the time you select the benefits will be used to calculate the amount of benefit that you will receive. The Revenue Commissioners may impose restrictions on the amount of benefit that we may pay. Annuities would normally be paid monthly in advance.

Some additional annuity features may also be available:

- (a) Your annuity may have a guarantee period of up to 10 years - this means that if you die during the guarantee period your annuity will continue to be paid to your dependants up to the end of the guarantee period.
- (b) You can choose a dependant's annuity. This means that if you die before your dependant, we will pay your dependant a pension until he/she dies. We will pay this to someone you choose (other than your child) if we are satisfied that they depend on you. If this person is not your husband or wife, the maximum length of time for which we will pay the annuity must be approved by the Revenue Commissioners.
- (c) You can choose a children's annuity for one or more children. This means if you die before your children, we will pay your children annuities until the child or children reach age 18 (or 21 if they are in full-time education), or until the child's death if this is earlier.
- (d) For each type of annuity, you can choose for it to increase each year. The annuity can increase by the Consumer Price Index to take account of inflation or can increase by a fixed amount (for example 3% or 5% per annum) each year.

Approved Minimum Retirement Fund

- 3.4 If you do not take the annuity option described in 3.3 and you do not have a "specified income" of 12,700 each year for life at retirement, the lower of:
- (a) the balance of your accumulated fund (after you receive your tax-free lump sum cash payment, if you choose to take it), or

(b) €63,500

must be transferred to an Approved Minimum Retirement Fund (AMRF) or must be used to buy an annuity.

You cannot encash your AMRF in full until you are 75. Until then, you are allowed to make partial withdrawals, but these are limited to the investment gains and income your AMRF fund has earned since the start of the policy. Under current Revenue rules, up until the age of 75, it is not possible to make any withdrawal if this withdrawal causes the fund value to fall below the original investment amount (and future transfers from another AMRF into your policy). After age 75, this restriction does not apply.

You cannot normally make withdrawals from your AMRF before you reach age 75. The only exceptions to this are:

- (i) Income or profits from your AMRF may be withdrawn.
- (ii) You may transfer the proceeds of your AMRF to another Qualifying Fund Manager.
- (iii) You may use the proceeds of your AMRF to purchase an annuity.

Taxed Cash Lump Sum / Approved Retirement Fund

3.5 After investing in an AMRF or annuity, or if you can show that you have a guaranteed income for life from other sources of €12,700 a year, the remainder (if any) of your accumulated fund can be used in either of the following ways:

- (a) It may be taken as a lump sum. This lump sum is subject to income tax for the year of assessment in which you receive it.
- (b) It can be invested in an Approved Retirement Fund (ARF).

Open Market Option

3.6 You can also choose to purchase your annuity benefit from a life office other than us (Irish Life). The life office must be authorised to carry on life assurance business in the Republic of Ireland. If you decide to do this, we will pay your accumulated fund less any cash payment made to you to the other life office.

It is also possible to invest in an ARF or AMRF that is run by another qualifying fund manager. If you decide to do this, we will pay your accumulated fund less any cash payment made to you to the other qualifying fund manager.

Cashing in or assigning the benefit

- 3.7 It is not possible for any of the benefits under this policy to be cashed in or assigned to anyone else.

Transfers

You may transfer this policy to another Retirement Annuity Contract approved under Chapter 2, Part 30 of the TCA or a Personal Retirement Savings Account approved under Chapter 2A, Part 30 of the TCA. Our policy is capable of receiving a transfer value from another Retirement Annuity Contract which is in your name and approved by the Revenue Commissioners under Chapter 2, Part 30 of the TCA and such a transfer payment will be treated like a single premium.

If you have chosen to invest in a property fund, we may delay any transfers for up to six months from the time we receive your request. Delayed transfer values will be based on the value of units at the end of the notice period. We may need a notice period due to the high cost and time involved in selling properties. Once you have given us notice that you wish to make a transfer payment you cannot change your mind during any notice period.

When more customers are moving out of a fund containing property than making new investments in it, the value of the units in the fund may undergo a reduction to reflect some or all of the costs associated with buying and selling property. This reduction will be different for each fund containing property. The reduction for any part of the fund invested with external fund managers may happen at a different time to the reduction for the rest of the fund.

Life cover

Paragraphs 3.9 to 3.20 will apply only if an amount of life cover is shown on the member certificate, schedule or any endorsement.

- 3.9 Under the policy we cover your life for the amount of life cover (if any) stated in the member certificate, schedule, or in any endorsement. If we have agreed to provide life cover under other terms and conditions these will also be stated in the member certificate, schedule or added to the policy by endorsement.
- 3.10 We take the charge for life cover on the first day of each month from the date from which we agree to provide cover. We will work out this charge taking account of the following:
- a (i) The amount of life cover less the accumulated fund, if life cover is stated as *inclusive* on the member certificate or schedule; or
(ii) The amount of life cover, if life cover is stated as *exclusive* on the member certificate or schedule.
 - b Your age and sex.
 - c Our rates relating to expected deaths on consideration of any medical or occupational information, information related to hobbies or pastimes and

information about your smoking habits. We may change these rates to reflect our actual experience.

- 3.11 We will take the charge for life cover monthly by cancelling units from the unit account. We will cancel units from the funds in proportion to the latest fund split.
- 3.12 If at any time the accumulated fund is less than the life cover charge due, the policy will end and all benefits will cease.
- 3.13 You may write to us, asking to do the following:
 - a Reduce the amount of life cover as long as the reduced amount is at least as great as the minimum we are prepared to accept.
 - b Increase the amount of life cover as long as the increased amount is no greater than the maximum we are prepared to accept. If you ask for an increase you will have to provide proof of your state of health. If we accept this, the increased amount of life cover will apply from the first day of the following month. We may need to increase the premium to maintain the amount of life cover that you ask for.
- 3.14 If you die within one year from the start date of the policy and you committed suicide or were executed by a penalty imposed by a court of law, we will not pay any life cover benefit over the value of the accumulated fund. If you die in this way within one year of the life cover being increased under paragraph 3.13 (b) we will not pay the amount by which the life cover was increased.
- 3.15 You must provide any information and evidence we reasonably need to provide cover. We will act on this information and evidence and will not be responsible for any error or mistake made by you or any person acting for you.
- 3.16 We will change the amount of life cover if we receive evidence of your date of birth and this is different to the date of birth given on the application form.
- 3.17 If the information provided in the application form and any related correspondence is not true and complete, or if relevant information has not been revealed, we may reject or adjust the claim. Information is relevant if it might reasonably be expected to influence the judgement of an insurer when fixing the premium or the level of benefits, or in deciding whether to provide cover at all.
- 3.18 When you die, we will pay any life cover to your estate according to the terms of the policy as long as the policy is still in force.
 - a If the life cover shown on the member certificate or schedule is *inclusive* of the accumulated fund, the amount we will pay on your death will be the life cover or the accumulated fund on the date of death, whichever is higher.

- b If the life cover shown on the member certificate or schedule is *exclusive* of accumulated fund, the amount we will pay on your death will be the value of the accumulated fund on the date of death together with the life cover.
- c If no life cover is shown on the member certificate or schedule, we will pay the value of the accumulated fund on the date of death.

We will pay any life cover according to the requirements of the Revenue Commissioners.

The policy will end when you die and we pay out the benefits.

3.19 Life cover (either inclusive or exclusive - see paragraph 3.18a and 3.18b) will end when all the accumulated fund has been used to provide retirement benefits, no later than the nominated retirement date.

3.20 If you reduce the accumulated fund by taking retirement benefits and the life cover (if any) is *inclusive* of the accumulated fund, we will reduce the life cover by the same amount as the reduction in the accumulated fund.

If the life cover is *exclusive* of the accumulated fund, the life cover will not change.

Contribution cover

3.21 Contribution cover will only apply if the regular premiums are being paid and 'Contribution Cover' is shown as a benefit on the member certificate.

3.22 If you become disabled and as long as regular premiums have not been stopped, we will continue to pay the regular premiums as described in paragraph 3.23.

3.23 The amount of regular premium which we will pay while you are claiming contribution cover will be the regular premium, paid over the 12 months leading up to the date from which we agree to pay the benefit. This does not include any regular premium increases in the 12 months before that date.

We will pay this at the same frequency as the regular premium before the disability.

3.24 We will not provide contribution cover benefit until we receive any information and evidence we may reasonably need of your state of health. This may involve you having a medical examination by a medical officer we have appointed or approved. You must pay any related expenses.

3.25 You must tell us immediately if you change occupation or move to a country outside the European Union. We may cancel contribution cover if we believe the change in your circumstances would increase our liability.

- 3.26 We will only provide contribution cover for a disability which happens after the start date of the policy or the date at which the contribution cover was included in the policy, whichever is later.
- 3.27 We will not pay contribution cover in the following circumstances:
- a For the first six calendar months of a period of disability, or before we receive written notice of the claim, whichever is later.
 - b If the disability is caused by way of the following:
 - War, riot, revolution, or any similar event.
 - Taking part in a criminal activity.
 - Strike.
 - Self-inflicted injury or illness or taking alcohol or drugs (other than under the direction of a qualified medical practitioner).
 - Failing to follow reasonable medical advice.
 - Pregnancy or childbirth unless the disability goes beyond a period of three calendar months after the end of pregnancy or childbirth. In this case we will treat the disability as having started after the three calendar months.
 - In our opinion as a result of Acquired Immune Deficiency Syndrome (AIDS) or infection by any Human Immunodeficiency Virus (HIV).
 - As a result of taking part in abseiling, bobsleighing, boxing, hang gliding, scuba diving, horse racing, motor car and motor cycle racing or sports, mountaineering, parachuting, pot holing and caving, power-boat racing, rock climbing and flying other than as a fare-paying passenger on a regular public airline.
- 3.28 We will stop paying contribution cover on the earliest of the following dates:
- a The date you recover and go back to your own occupation or the date we believe you are healthy enough to resume your own occupation.
 - b The anniversary of the start date of the policy on or following your 60th birthday.
 - c The date you die.
 - d The date you move to a country outside the European Union. We may pay contribution cover again if you return and live in a country within the European Union. We must receive satisfactory evidence of your continued disability.
 - e The date we start paying the retirement benefits under this policy.
- 3.29 We will take the charge for contribution cover monthly, by cancelling units from the unit account. We will cancel units from the funds in proportion to the latest fund split.

Funds and unit prices

This section explains how the investment funds work.

4.1 Introduction

This policy is unit-linked. Unit-linking is simply a way of working out the value of your policy on any date. You do not own the units. The policy will be linked to units in one or more of the funds in the panel of funds as defined in section 1. There are a maximum number of funds that the policy may be linked to at any one time. This maximum is currently (July 2008) five.

The accumulated fund will remain invested in the fund you have chosen until you decide to take retirement benefits, reach your nominated retirement age or until you die.

If you have chosen to invest in a fund that invests in equities, the equities within that fund may be used for the purpose of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within a fund it provides an opportunity to increase the investment return.

4.2 Working out unit prices

We work out the offer (buying) and bid (selling) price of units in all of the funds by using the market value of the assets of the fund and taking off the management charge. These may go down as well as up. The bid price cannot be lower than 95% of the offer price. We place units in funds at the offer price. We cancel them at the bid price. The 5% difference between the offer and bid prices is a charge.

When more customers are moving out of a fund containing property than making new investments in it, the value of the units in the fund may undergo a reduction to reflect some or all of the costs associated with buying and selling property. This reduction will be different for each fund containing property. The reduction for any part of the fund invested with external fund managers may happen at a different time to the reduction for the rest of the fund.

The Capital Protection Fund* and the Secured Performance Fund guarantee that the prices of the units of the fund will never fall. There are restrictions placed on units in the Secured Performance Fund and the Capital Protection Fund*. There are circumstances where this price guarantee will not apply.

* Previously named the Exempt Guaranteed Fund.

We describe these funds in more detail later on.

You will find exact details of how we calculate fund prices in the resolutions and rules governing the funds. You can ask us for a copy of these from our chief office.

4.3 Fund charges

Regular Premium Fund Charges

We make certain charges on the regular premium funds and our current charges are summarised for each fund in the following table.

Panel of funds	Fund management charge each year
Consensus Fund	1.65%
Exempt Active Fund	1.75%
Exempt Cash Fund	1.75%
Capital Protection Fund *	2.00%
Exempt Property Fund	1.75%
Fidelity Managed International Fund	2.25%
Gartmore Managed Fund	2.30%
Indexed Global Equity Fund	1.65%
Irish Life International MAPS Fund	2.00%
KBC Asset Managed Fund	2.16%
Secured Performance Fund	2.00%

Single Premium Fund Charges

We make certain charges on the single premium funds and our current charges are summarised for each fund in the following table.

Panel of funds	Fund management charge each year
Consensus Fund	0.90%
Exempt Active Fund	1.00%
Exempt Cash Fund	1.00%
Capital Protection Fund *	1.25%
Exempt Property Fund	1.00%
Fidelity Managed International Fund	1.50%
Gartmore Managed Fund	1.55%
Indexed Global Equity Fund	0.90%
Irish Life International MAPS Fund	1.25%
KBC Asset Managed Fund	1.41%

* Previously named Exempt Guaranteed Fund

In the following Navigator funds, part of the fund charge can vary. The following table shows, where relevant, the Irish Life charge, the expected average level of the charge that can vary and the total expected fund charge.

Irish Life	Expected average	Total expected
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	charge	level of variable charge	fund charge
Harvest Growth Fund (Annual Premium)	1.75%	0.45%	2.20%
Harvest Growth Fund (Single Premium)	1.00%	0.45%	1.45%
Harvest Protection Fund (Annual Premium)	1.75%	0.45%	2.20%
Harvest Protection Fund (Single Premium)	1.00%	0.45%	1.45%

We manage these funds overall. Within these funds, part of the assets are managed by an external manager. Irish Life and the external manager take charges from these funds as indicated above. The external fund manager takes their costs and charges from the assets they manage which can vary. The expected average levels of the variable charges indicated above are those expected over the long-term. The actual level of charges may be higher or lower than this. The level of the external manager charge you incur will vary depending on the weighting of individual investment types with the fund. The external manager may also be paid an incentive fee if the returns achieved exceed their benchmark.

Notes to tables

- i We work out the fund management charge based on the offer price of the fund.
- ii We can only increase the fund management charge rate on any fund in the panel of funds if our board of directors passes a resolution. We would need to increase the fund management charge if the cost of administering the policies linked to the funds rose higher than expected. The operation of these Funds is described

4.4 Fund prices

The prices of units in all funds, with the exception of the Secured Performance Fund, the Capital Protection Fund * and the Exempt Cash Fund, will go up and down as the market value of the fund's assets change.

4.5 The Capital Protection Fund *

** previously named the Exempt Guaranteed Fund.*

Working out the unit price

The bid price of units in the Capital Protection Fund cannot fall. The growth each calendar year is also guaranteed to equal at least a minimum rate we declare in advance each year. We work out this minimum by taking account of the value of the assets of the Capital Protection Fund, the bid price of all the units of the fund and the expected future return on these assets.

Using the market value adjuster

We may change the value of units of the Capital Protection Fund if you choose to switch your investment out of the Capital Protection Fund.

We then work out the value of the units in the Capital Protection Fund as follows:

the number of units in the Capital Protection Fund
multiplied by
the bid price of units in the Capital Protection Fund
multiplied by
the market value adjuster.

The market value adjuster will be no higher than one. We use this to adjust the fund value to reflect any shortfall between the value of the assets in the fund and the bid price of all the units in the fund.

We will not use the market value adjuster for units of the Capital Protection Fund if you retire on the nominated retirement date or you cash in the units to pay costs such as life cover charges, or on death.

4.6 The Secured Performance Fund

Working out the unit price

The bid price of units in the Secured Performance Fund cannot fall. Also, the bid price is guaranteed to increase uniformly throughout the calendar year at a rate we declare at the beginning of each calendar year.

We will calculate the rate of increase we declare by taking account of the value of the assets of the Secured Performance Fund, the bid price of all the units in the fund and the expected future return on these assets.

Using the market value adjuster

We will change the value of units of the Secured Performance Fund if:

- a you choose to take retirement benefits within ten years of entering the Secured Performance Fund; or
- b you choose to switch the investment out of the Secured Performance Fund into another of the funds.
- c you choose to transfer your accumulated fund to another Retirement Annuity Contract approved under Chapter 2, Part 30 of the TCA or a Personal Retirement Savings Account approved under Chapter 2A, Part 30 of the TCA before your nominated retirement date as outlined in paragraph 3.8 above.

We then calculate the value of the units in the Secured Performance Fund as follows:

the number of units in the Secured Performance Fund
multiplied by
the bid price of units in the Secured Performance Fund
multiplied by
the market value adjuster.

The market value adjuster will be no higher than one. We use this to adjust the fund value to reflect any shortfall between the value of the assets in the fund and the bid price of all the units in the fund.

We will not use the market value adjuster for units of the Secured Performance Fund if you retire after regular premiums have been invested for at least ten years, you are retiring due to serious ill-health, you die or cash in units to pay costs such as life cover charges.

Restrictions on investing in the Secured Performance Fund

We may refuse to invest large one-off payments or additional regular payments into this fund at any one time or delay all or part of the investment until a later date. This condition also applies for switches from other funds.

Also, if you stop or skip regular payments, we may refuse to allow you to invest in the Secured Performance Fund again in the future. If this means that you have not made 10 years payments into the fund, then a market value adjuster may apply on retirement. We need these conditions to protect the interests of customers already invested in the fund.

4.7 Switching between funds - future premiums

You may choose to change the funds into which we place units in this policy. We need one month's written notice to do this. We do not currently charge for this option. We may charge in the future to cover our administration costs. We will carry out the switch on the first of the month after we receive the written request to switch.

Before you switch from your original fund choice or choices, please remember that the funds in the panel of funds have different levels of risk and possible returns and they may also have different yearly fund charges.

4.8 Switching between funds - accumulated funds

You may choose to switch the accumulated fund to another fund. There is no charge for switching funds as long as not more than six switches a year are made. If more than six switches are made in one year, we will make a small

charge for each switch made to cover our administration costs. This charge will be 0.5% of the accumulated fund and will be at least €12.70 and at most €31.74. We may increase the charge to reflect future administrative costs of making the switch. We take the charge by cancelling units from the unit account to the value of the charge at the date of the switch. We will carry out the switch on the first of the month after we receive a written request to switch.

If you are switching out of the Secured Performance Fund or the Capital Protection Fund, we take the value of units in the fund after using the market value adjuster as described in paragraphs 4.5 and 4.6.

We may choose to delay any switch for up to six months if there are practical difficulties in realising the assets in the original fund.

When more customers are moving out of a fund containing property than making new investments in it, the value of the units in the fund may undergo a reduction to reflect some or all of the costs associated with buying and selling property. This reduction will be different for each fund containing property. The reduction for any part of the fund invested with external fund managers may happen at a different time to the reduction for the rest of the fund.

Delayed switches will be based on the value of units at the end of the period when the switch actually takes place.

Once you have given us notice that you wish to switch between funds you cannot change your mind during any notice period.

4.9 Automatic switching between funds

The Individual Investment Service (“IIS”) is a service under which we invest assets in a balanced fund (Consensus Fund, Exempt Active Fund) while you are under 60. We then switch them to the Capital Protection Fund as you get nearer to retirement.

You can switch in and out of the IIS at any time but the normal switching rules and charges (if applicable) will apply. There is no charge for any of the switches made within the IIS.

If you choose the IIS it applies to the regular premium accumulated fund and all future regular premiums.

IIS will not apply to single premium contributions.

If a switch is made into the IIS, there are two options:

- a We split the accumulated fund between the Consensus Fund and the Capital Protection Fund; or

- b We split the accumulated fund between the Exempt Active Fund and the Capital Protection Fund according to the table below.

Table of investment split between the funds in the IIS

Age Next Birthday	Consensus Fund or Exempt Active Fund	Capital Protection Fund
less than		
60	100%	0%
61	90%	10%
62	80%	20%
63	70%	30%
64	60%	40%
65	50%	50%
66	40%	60%
67	30%	70%
68	20%	80%
69	10%	90%
70	0%	100%

On each anniversary of the start date of the policy where you are between age 60 and 70, we will automatically switch 10% of the accumulated fund into the Capital Protection Fund from either the Consensus Fund or the Exempt Active Fund. (We will use your age next birthday on the anniversary of the start date of the policy, on or immediately before the date of switch). We will do this according to whether option A or B has been chosen within the IIS.

You will then be 100% invested in the Capital Protection Fund at age 70.

4.10 Closure of Funds

At any stage we can change the range of fund options that are available. We reserve the right to close a fund. If you are invested in that fund, we will give you at least one month's advance notice. You will have the option to switch your investment into any of the other funds open at that time.

Charges

This section deals with the amount of the premiums that we will place in the funds on your behalf and the charges you will have to pay.

- 5.1 The amount invested will be the regular premium multiplied by an investment factor for year one and subsequent years. The investment factor for your initial premium is shown on the plan schedule. The amount not invested is a charge.
- 5.2 The amount invested buys units at the offer price (the value at the offer price of the total units allocated to the policy will equal the investment factor). The units purchased will be sold at the bid price which is 5% less than the offer price. This 5% is a charge. This is explained in greater detail in section 4.2.
- 5.3 While the policy is still in force and premiums continue to be paid, we will place extra units in it on the day immediately before each fifth policy anniversary, on or after the tenth policy anniversary. The bid price value of the extra units will equal 5% of the bid price value of the units in the regular premium funds. The loyalty bonus will not apply to units in the single premium funds.
- 5.4 While premiums continue to be paid, we will place units in this policy at the investment dates.
- 5.5 If you increase the regular premium at any time and this increase is not as a result of indexation, the investment factor for the part of the regular premium representing the increase may be different from the investment factor for the balance of the regular premium. This investment factor will be shown on the plan schedule that we will issue to you at that date.

If you choose indexation, the extra payment each year will be treated as a new payment and will receive the same investment allocation as your initial payment received in year one and year two onwards (see section 5.1). These rates are shown on your schedule. The amount not invested is a charge.

- 5.6 The initial policy fee is €3.81 per month. We will index link the policy fee each year by the rate of increase in the Consumer Price Index for the year ended at the last available publication date. Or, we may increase it to reflect changes in our administration expenses for this type of policy. The policy fee is currently €4.63 per month in 2008.
- 5.7 We will take the charge for life cover, contribution cover and the policy fee by cancelling units from the unit account at the bid price. We will cancel units from the unit account in proportion to the latest fund link for new regular premiums we have been told about.
- 5.8 The investment factor for single premiums, if applicable, will be shown on the member certificate, schedule or endorsement. The investment factor for extra

single premiums will be those available at the time you pay the extra single premium. We will invest the single premium in one or more funds you choose. This will depend on any restriction we may decide to use.

- 5.9 We will take fund management charges and these will depend on the fund link chosen. You will find these charges in detail in paragraph 4.3.
- 5.10 Pensions Board fees are currently charged on company pension plans that are approved under the TCA. If the Pensions Board or a similar organisation make a similar charge on personal pension plans (approved under the TCA), we will take this charge from the accumulated fund in the same way as the policy fee is taken, as described in paragraph 5.6.

Claims

This section deals with the procedure for making a claim under the policy and our requirements for assessing the claim.

- 6.1 Before we will pay or make available the life cover or retirement benefits we must receive the following:
- a A filled in claim form.
 - b Proof of entitlement to claim the proceeds of the policy. This would include keeping to these terms and conditions and the member certificate.
 - c Also before we will pay the life cover we must receive proof of a valid death claim (including proof of death in the form of a death certificate and if not previously produced, a birth certificate).
 - d The policy document.
- 6.2 To protect your entitlements, we may need other proof that the person claiming is entitled to the proceeds of the policy. This extra proof may include items such as a 'power of attorney' or a 'grant of probate' or 'letters of administration'.
- 6.3 We pay the benefits under this policy by referring to your date of birth. If we have your incorrect date of birth, we will change the benefits to the correct level for your correct date of birth when we receive this.

Tax

This section explains about tax legislation, how it may affect the policy and what will happen if there is any change in the tax law.

Tax

- 7.1 We must pay benefits under this plan in line with current tax law. If tax laws or any other relevant laws change after the start date of this plan, we will pay benefits in line with these.
- 7.2 Under current tax legislation, the maximum pension fund allowed for tax purposes is €5,418,085 (as at January 2008) or, if higher, the value of the fund on 7 December 2005 (subject to certain Revenue notification requirements). The relevant maximum will apply to the aggregate value of all pension provisions held by you. Any fund in excess of this amount will be liable to a once-off income tax charge at a 41% tax rate (current rate) when it is drawn down on retirement. This limit will be adjusted annually in line with an earnings factor. The tax rate that applies may also change in the future.
- 7.3 The maximum tax-free lump sum that can be taken is subject to the following: At the date the tax-free lump sum is due to be paid, if the aggregate of lump sums drawn down from all pension provisions held by an individual exceeds the lump sum limit (€1,354,521 as at January 2008) then the excess lump sum will be taxed at the your marginal rate as income. This limit will be adjusted annually in line with an earnings factor.

Approval

- 7.4 The Navigator for Personal Pensions is a Retirement Annuity Contract approved under Chapter 2, Part 30 of the TCA. No changes can be made to the policy without the approval of the Revenue Commissioners.
- 7.5 We do not have to accept additional premiums under this scheme if the Navigator for Personal Pensions is no longer treated by the Revenue Commissioners as an approved Retirement Annuity Contract.
- 7.6 We will write and tell you about any changes made to the policy to keep it in line with the Revenue Commissioners' requirements and how (if at all) any benefits under the policy may be affected.
- 7.7 If tax laws or any other relevant laws change after the start date, we will alter the terms and conditions of the policy if this is necessary to keep the policy in line with those changes. We will write and tell you of any alterations in the terms and conditions.

Law

This policy will be governed by Irish Law and the Irish courts are the only courts that are entitled to hear disputes.

These terms & conditions are based on current legislation which may be subject to change during the lifetime of the plan.