

Navigator for Company Pensions

CLOAS
Form NAVIC

TC 1027 (REV 09/04)

Terms and conditions booklet



This is your terms and conditions booklet for your Navigator for Company Pensions. Please keep it safe in your welcome pack, as you will need it in the future.

What is a pension plan?

A pension plan is a plan designed by Irish Life Assurance plc (we, us) to provide certain benefits from a chosen retirement age. It may also provide life cover if the member dies before their chosen retirement age.

Details of the plan can be found in this terms and conditions booklet, the schedule, the application form, the rules (including the letter of exchange) and any extra rules (endorsements) which we may add to it. Any conditions or extra rules we add in the future, if you (the trustee) agree, will 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.

This plan is a defined contribution plan, which means that the level of benefits paid out depends on the level of payments made and the return on the investments.

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 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 Head 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 the Irish courts are the only courts which are entitled to hear any disputes.

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

How does the plan work?

Payments must be made in the amounts and on the dates described in the schedule in return for the benefits described in the schedule. 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 the member retires at the normal retirement date. The normal retirement date is shown in the plan schedule. We must pay benefits to you if the member dies before this age.

How are the benefits paid?

We will pay retirement benefits to the member in the way you (the trustee) choose. You must prove that you legally own the plan and that benefits are due. However, this will depend on conditions imposed by the Revenue Commissioners. We will pay any death benefit under the plan according to your instructions.

Writing to us

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

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

The Office of the Pensions Ombudsman,
36, Upper Mount Street,
Dublin 2.

Phone: 01 647 1650

Fax: 01 676 9577

E-mail; info@pensionsombudsman.ie

Web: www.pensionsombudsman.ie

Cooling-off period

If after taking out this plan you feel that it is not suitable, you may cancel it by writing to us at the address shown above. If you do this within 15 days from the date we send you the plan (or a copy), we will cancel your plan and refund your regular payment. We will refund any single payment (or payments), less any reduction in investment values over the period of the investment. We strongly recommend that you contact your broker or Irish Life adviser before you cancel the plan.

Complaints

You should write to us at the address provided if you have any queries or complaints in relation to this plan.

If the member believes they have suffered a financial loss as a result of the poor administration of the scheme, or if there is a dispute of fact or law, they must contact you first.. You, as a trustee, are obliged under the Pensions Ombudsman Regulations 2003 (S.I. No. 397 of 2003) to set up and follow an Internal Disputes Resolution (IDR) procedure which you must publish and make available to the member on request. More information is available from the Pensions Ombudsman's office at

You must then issue a decision on the matter. The member is not bound by this decision and can take the matter to the Pensions Ombudsman. The decision of the Pensions Ombudsman can be appealed by both parties to the High Court.

All other complaints which you can not settle should be directed to the Pensions Board at Verschoyle House, 28/30 Lower Mount Street, Dublin 2.
Phone: 01 613 1900, Fax: 01 631 8602.

If you have any questions, please contact us at Irish Life.

Family law and pensions

If the member is involved in a judicial separation or a divorce, a pension adjustment order may be granted by the courts over the benefits we may pay from this plan when they retire or die. The member can get more information on how pension adjustment orders work from the Pensions Board or their solicitor.

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

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Section 1

Definitions

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

Certain words and phrases used in this terms and conditions booklet 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 plan.

Accumulated fund

The plan's value at a point in time. We work this out as:

- the number of units we place into the plan; multiplied by
- the investment 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 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 plan. It includes any extra information given to us about the plan 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 keeps to the conditions of Chapter 2 of Part 30 of the Taxes Consolidation Act, 1997 for this type of fund.

Approved retirement fund

A fund managed by a qualifying fund manager and which keeps to the conditions of Chapter 2 of Part 30 of the TCA for this type of fund.

Consumer Price Index

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

Contribution cover

An optional plan benefit. If this benefit is chosen, payments may be stopped for a period if the member is disabled. We will place units into the unit account as though the regular payment was being made. (See paragraphs 3.22 to 3.30.)

Dependant

The member's husband, wife or any other person who depends on them financially immediately before the member dies. For this purpose a child includes a stepchild or legally adopted child.

Disabled

When the member suffers from an illness or injury which totally prevents him or her from carrying out their normal occupation and they 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 plan, or after the date contribution cover was added to the plan. The occupation refers to the occupation shown on the application form or any other more recent job we have accepted.

Employer

The person, people or organisation referred to in the schedule.

Endorsement

If the terms and conditions of the plan have been changed or are different to the standard terms, we set the new or amended terms or conditions out in a separate document which we will attach to the plan. 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 the plan is linked to.

Investment date

The date on which we receive a payment.

Investment payment

The percentage of the payment that we invest for the member as described in section 5.

Investment price

The price of a unit of a fund, which we use to work out the value of the plan for each fund. This is the price we use when buying and selling units in the fund.

Member

The person for whom the benefits of the plan are held in trust and upon whose life the plan benefits depend. This is the person named as the customer in the schedule.

Life cover

The amount we will pay if the member dies while the plan is in force.

Market value adjuster

An adjustment to reduce the value of units of the Exempt Guaranteed Fund or the Secured Performance Fund in certain circumstances as set out in paragraphs 4.5 and 4.6.

Normal retirement date

The date shown in the schedule which is the date on which the accumulated fund will be available to buy retirement benefits in line with the terms of section 3.

Panel of funds

The panel of funds we use for regular payment contracts. It includes the following funds and any other funds that we may add from time to time.

Consensus Fund Series Q
Exempt Equity Fund Series Q
Exempt Active Fund Series Q
Pension Protection Fund Series Q
Exempt Guaranteed Fund Series Q
Exempt Property Fund Series Q
Exempt Cash Fund Series Q
Exempt Irish Equity Indexed Fund Series Q
Exempt Japanese Equity Indexed Fund Series Q
Exempt European Equity Indexed Fund Series Q
Exempt Fixed Interest Indexed Fund Series Q
Exempt North American Equity Indxd Fund Series Q
Exempt Pacific Equity Indexed Fund Series Q

Exempt UK Equity Indexed Fund Series Q
Ethical Global Equity Fund Series Q
Secured Performance Fund Series Q
Indexed Global Equity Fund Series Q
KBC Managed Fund Series Q
Fidelity Managed International Fund Series Q
Irish Life International MAPS Fund Series Q
Fidelity European Equity Fund Series Q
Fidelity UK Special Situations Fund Series Q

Payment due date

The date on which payments should be made to us. You will choose how often you make payments and this will be shown on the application form. If payments are to be made through a payroll benefits scheme, the employer will agree how often they will make payments. The payment due date cannot be later than the member's 70th birthday or the date of their death.

Proprietary director

Means a director who, either alone or together with his or her husband or wife and children, is or was, at any time within three years of the date of:

- the specified normal retirement date;
- an earlier retirement date if this applies;
- leaving service; or
- in the case of a pension or part of a pension paid in line with a pension adjustment order, the relevant date in relation to that order; and

owned shares which, when added to any shares held by the trustees of any settlement to which the director or his or her husband or wife had transferred assets, carry more than 5% of the voting rights in the company providing the benefits or in a company which controls that company.

Qualifying fund manager

Is defined in Chapter 2 of Part 30 of the TCA. We are a qualifying fund manager.

Regular payments

Any regular payment as shown in the schedule or otherwise made according to the terms of this plan. It includes any increases in regular payments (see paragraph 2.4 a and b). It does not include any single payments made on a one-off basis.

Retirement benefits

Cash, annuity or other benefits provided by the accumulated fund.

Rules

The letter of exchange and rules for the Navigator for Company Pensions.

Single payment

A payment which is not a regular payment.

Schedule

The schedule that forms part of this plan.

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, 1993. Specified income is defined in Chapter 2 of Part 30 of the TCA.

Start date of the plan

The date shown in the schedule.

Suspension

Where we have agreed that regular payments can be stopped for a fixed period (see paragraph 2.7).

TCA

The Taxes Consolidation Act, 1997.

Trustee

The person or people named in the schedule as trustee, or any other person who may become trustee of this plan in line with the rules.

Unit

Each fund in the panel of funds contains a number of identical units that are called payment units. We will work out the value of each payment unit by referring to the value of the assets of the fund after deductions. We set aside a number of these units for the plan to work out its value.

Unit account

The number of units set aside for the plan in each fund.

We, us, our

Irish Life Assurance plc.

Your, you

The person named as the trustee in the schedule.

Section 2

Payments

This section describes the way in which you can make payments.

- 2.1 The amount you have chosen to pay and how often you have chosen to pay are set out in the schedule. These are known as regular payments.
- 2.2 Each time you make a payment, we place units from one or more of the funds into the plan according to the terms of the latest fund link and in the way described in section 5. We use the investment price of each fund to work out the number of units from each fund, which we will place in the plan.

Changing your payments

- 2.3 You may write and ask to increase the regular payment giving at least one calendar month's notice. Any increase must be at least as large as the minimum we allow.
- 2.4 If you have chosen to increase payments in line with inflation, your regular payment and the member's life cover (if any) will automatically increase each year on the anniversary of the start date (as shown on the schedule). Both your regular payments and the member's life cover will increase each year in line with the Consumer Price Index. When the Consumer Price Index is low, we may set the increase at a slightly higher minimum amount. (This is currently 5% but this percentage is a guide only. The actual

percentage increase may be different when we work out the increase in your payment.) We will tell you what this increase will be.

If the Consumer Price Index stops being published, we will decide on a suitable rate of increase, taking into account investors' reasonable expectations and other current increases in the insurance industry.

If we do not receive the increased payment within 10 days of your plan anniversary (30 days for annual payments), we will assume you have turned down the increase in payment for that year. However, we will offer you a similar increase in the following year. If you decide in the future that you do not want us to offer you this option, you must tell us in writing.

The following also applies.

- If you turn down any increase in life cover two years in a row, we will not automatically give a further increase in life cover without looking for evidence of the health of the member.
- We can restrict the normal amount of the automatic increase in the life cover, if the amount we must pay on the member's death under all plans would be more than our current limit. This will not be less than €315,000.

- 2.5 You may write to us and ask us to reduce the regular payment at any stage by giving one month's notice. The reduced regular payment must be at least as large as the minimum we allow.

2.6 **Option to make single payments**

You may make single payments to us at any time. There may be restrictions on investing in certain funds (see section 4). There may also be restrictions imposed by the Revenue Commissioners. The investment terms that apply to single payments will be those available at the time you make your single payment. 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. The single payments may not be less than the minimum amount we allow.

2.7 **Suspending regular payments**

You can suspend the regular payments at any time.

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

If this option is used, the following will apply:

- The plan will continue in force and any charges that apply (for example the plan fee and management charge) before the suspension period will continue to apply for the suspension period. If the value of the accumulated fund falls to zero, the plan will end without a value and we will not pay any benefits.
- If life cover or contribution cover applies, the charge for this cover automatically continues unless:

- (i) you request otherwise in writing; or
- (ii) during the suspension period the value of the accumulated fund falls to zero. Life cover and contribution cover will cease if this happens.

The charge is deducted as outlined in 3.12 and 3.30. The effect of this will be to reduce the value of the fund by the cost of the cover.

- The regular payment must continue to be paid from the end of the suspension period. If this does not happen, the plan will become paid up (see paragraph 2.8).
- We will not provide contribution cover until six calendar months after regular payments have started again.

2.8 Paid up plan

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

- a) if regular payments are not made without giving us notice and a suspension has not been chosen.
- b) if you choose to have the plan changed to a paid-up plan.

Any life cover will automatically be set to zero and the charge for life cover and contribution cover (if any) will automatically stop. The member can keep the life cover on the plan if you inform us to do so. The rules around the life cover and contribution cover in this case will be the same as if a suspension was chosen as in 2.7 above.

In both cases we will continue to take the annual management charges and the plan fee.

If a plan has become a paid-up plan:

- the accumulated fund will remain invested in the fund(s) you have chosen until you decide to take retirement benefits or until the member reaches his normal retirement age or until the member dies or the accumulated fund value is zero, whichever is the earliest.
- if the member is eligible to receive retirement benefits immediately, we will use the accumulated fund to provide them. All benefits under the plan will end on that date and the plan will also end.
- we will cash in all of the plan if the member is being granted a refund of his own payments into the plan. 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 plan will end. This option may not be chosen if it conflicts with Part III, Pensions Act 1990.

2.9 Reinstating the plan

If regular payments have been stopped under paragraphs 2.7 or 2.8, you may ask us to reinstate the plan. This must be done in writing.

Where the plan is stopped under 2.8 and where life cover and contribution cover applied when regular payments stopped and you want to reinstate the cover also, we will ask for evidence of health of the member.

We will reinstate the cover 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 plan void. If this happens all rights to life cover under the plan will be lost, any claim will not be paid and we will not refund any payments. Information is "relevant" if it might influence the judgement of a reputable insurer when fixing the payment or the level of benefits; when deciding whether to reinstate cover at all; or when deciding whether to attach conditions.

We may refuse to reinstate the cover if the evidence of health shows a change in the state of health from that given on the application form.

The life cover will be reinstated when the payment is reinstated and all the relevant information is received by Irish Life. The contribution cover (if any) will be reinstated six calendar months after the regular contributions have been reinstated.

Section 3

Benefits

Family law and pensions

The benefits we pay below are decided by you, and are only provided if you decide. However, if the member is involved in a judicial separation or divorce, a pension adjustment order may be granted by the court. This will direct you to pay all or part of the benefits under this plan when the member retires, withdraws from service or dies, 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 The member will receive retirement benefits at the earliest date of the following.
- a) His or her 70th birthday.
 - b) The first day of the month (between the member's 60th and 70th birthdays) after you tell us in writing that retirement benefits are being claimed.
 - c) The first day of the month (before the member's 60th birthday) after you give us evidence of the member's disability and you tell us in writing that retirement benefits are to be claimed because of ill health. The Revenue's current definition

of ill health means physical or mental deterioration which is serious enough to prevent the individual from following their normal employment or which very seriously impairs their earning capacity. It does not mean simply a decline in energy or ability.

- d) The first day of the month after you give us evidence that the member's job is one in which people usually retire before their 60th birthday and you tell us in writing that retirement benefits are to be claimed. The member must have reached the age which has been approved by the Revenue Commissioners as defined in Chapter 1, art 30 of the TCA.
- e) If the member is retiring from their job, the first day of the month (between their 50th and 60th birthdays) after you tell us in writing that retirement benefits are being claimed.

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

The accumulated fund will stay invested in the funds you have chosen until:

- you decide to take retirement benefits;
 - the member reaches their normal retirement date; or
 - the member dies;
- whichever is earliest.

What options are available to the member when they retire?

- 3.2 The accumulated fund at normal retirement date will be available to provide retirement benefits under this plan (depending on the conditions of paragraphs 3.4, 3.5, 3.6, 3.7 and 3.8).
- 3.3 If any part of the benefits of the plan cannot be paid as described in the following sections without going above any maximum imposed by the Revenue Commissioners, we will pay the value of that part to the employer as set out in the rules.

Retirement benefits

Tax-free lump sum

- 3.4 The member can take, at retirement age, a tax-free lump sum of up to one and a half times their final salary (taking into account any retained benefits, as described in the rules). They must have completed 20 or more years' service with their last employer when they retire. A sliding scale applies if the member has completed less than 20 years' service when they retire, as outlined in the rules.

If they take a tax-free lump sum when they retire, we must reduce the maximum pension by the equivalent pension value of the lump sum they have taken.

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

Annuity (pension) benefit

3.5 With the accumulated fund, or the accumulated fund less the tax-free lump sum, you can choose to provide an immediate single or joint-life annuity option that we have available at the time the member retires. We will use our annuity rates at the time you choose the benefits to work out the amount of benefit that the member will receive. The benefits we pay cannot be greater than the limits placed on us by the Revenue Commissioners. We normally pay annuities monthly in advance.

Some extra annuity features may also be available.

- a) The member's annuity may have a guarantee period of up to 10 years - this means that if the member dies during the guarantee period, we will continue to pay their annuity to their dependants up to the end of the guarantee period.
- b) You can choose a dependant's annuity for the member. This means that if the member dies before their dependant, we will pay their dependant a pension until they die. We will pay this to the person you have chosen (other than the member's child) if we are satisfied that they depend on the member. If this person is not a 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 of the member's children. This means if the member dies before their children, we will pay a children's annuity until:
 - the child or children reach age 18 (or 21 if they are in full-time education); or
 - 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 percentage of up to 3% a year. This will depend on Revenue limits. The Revenue Commissioners may place restrictions on the amount of fixed percentage increases from time to time, when these go above increases in the Consumer Price Index.

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

Approved retirement funds where the member is a proprietary director

- 3.6 If the member is a proprietary director, they may, with your permission take advantage of the following three options, as long as all Revenue and legislative requirements have been met.
- Tax free lump sum
 - Approved minimum retirement fund
 - Approved retirement fund

Tax-free lump sum

The member can take a lump sum of up to

25% of the equivalent value of their maximum approvable pension benefits under the plan, as tax-free cash. This will depend on Revenue limits.

If the member has paid additional voluntary contributions (AVCs) but is not a proprietary director, they are entitled to take advantage of the following options with the percentage of the accumulated fund at retirement that has built up from AVCs left after taking any tax free lump sum.

Approved minimum retirement fund

We will transfer to an approved minimum retirement fund (AMRF) with a qualifying fund manager:

- the balance of the equivalent value of the member's maximum approvable pension benefits under the plan (after receiving the tax-free lump sum payment); or
- €63,500;

whichever is lower. Otherwise, it must be used to buy an annuity for the member.

This condition is on the basis that the member is not currently receiving a specified income of €12,700 each year, for life when they retire.

The member cannot cash their AMRF in full until they reach age 75. Until then they can cash part of it in, but this is limited to the investment gains and income their AMRF fund has earned since the start of the plan. 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 their AMRF

plan). After age 75, this restriction does not apply.

The member cannot make withdrawals from their AMRF before they reach age 75 unless any of the conditions below apply.

- 1 If they are withdrawing any income or profits from their AMRF.
- 2 If they are transferring the proceeds of their AMRF to another qualifying fund manager.
- 3 If they use the proceeds of their AMRF to buy an annuity.

Approved retirement fund and taxed cash lump sum

3.7 After investing in an AMRF or an annuity, or if the member can show that they are currently receiving a specified income for life from other sources of €12,700 a year, they can use the rest (if any) of their accumulated fund equal to their maximum approvable retirement benefits under the plan in either of the following ways.

- a) They may take it as a lump sum. They will pay income tax on this lump sum in the year of assessment in which they receive it.
- b) They can invest the fund in an approved retirement fund (ARF).

Open-market option

3.8 You can also choose to buy the annuity 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 the member's accumulated fund, less any cash payment we have made to you on behalf of the member, 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 the member and you decide to do this, we will pay the member's accumulated fund, less any cash payment we have made to you on behalf of the member, to the other qualifying fund manager.

Transfers

3.9 You can make a transfer payment, equal to the value of the member's pension benefits under this plan to:

- another scheme run by the member's current or future employer; or
- a personal retirement savings account (PRSA) subject to the restrictions of the Pensions Act

or you can buy non-assignable and non-commutable benefits for the member and his or her dependants from a life assurance company authorised to carry out business in Ireland

The transfer payment will be the value of the accumulated fund at the date the transfer takes place.

Our plan can receive a transfer payment from another pension scheme, approved under Chapter 1 of Part 30 of the TCA or from a personal retirement savings account, approved under Chapter 2A of Part 30 of the TCA. We would treat this transfer payment like a single contribution.

Cashing in or assigning the benefit

3.10 It is not possible for you to cash in or assign any of the benefits under this plan to anyone else.

Life cover

Paragraphs 3.11 to 3.21 will apply only if an amount of life cover is shown in the schedule or any endorsement.

3.11 Under the plan, we will cover the member's life for the amount of life cover (if any) shown in the schedule, or in any endorsement. If we have agreed to provide life cover under other terms and conditions, these will also be shown in the schedule, or added to the plan by an endorsement.

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) The amount of the life cover less the accumulated fund, if life cover is shown as 'inclusive' on the schedule.

Or

The amount of life cover, if life cover is shown as 'exclusive' on the schedule.

- b) The member's age and sex.
- c) Our rates relating to expected deaths after considering any medical or occupational information, information related to hobbies or pastimes and information about the member's smoking habits. We may change these rates to reflect our actual experience.

- 3.12 We will take the charge for life cover every month by cancelling units from the unit account. We will cancel units from the funds in the same percentage as the latest fund split.
- 3.13 If at any time the accumulated fund is less than the life cover charge due, the plan will end and all benefits will stop.
- 3.14 You may send us written notice 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 the state of health of the member. 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 payment to maintain the amount of life cover that the member needs.
- 3.15 If the member dies within one year from the start date of the plan and he or she committed suicide or was 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 the member dies in this way within one year of us increasing the life cover under paragraph 3.14 b, we will not pay the amount by which we increased the life cover.
- 3.16 The member 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 the member or any person acting for them have made.
- 3.17 We will change the amount of life cover if we receive evidence of the member's age and this is different to the age given on the application form.
- 3.18 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 payment or the level of benefits, or in deciding whether to provide cover at all.
- 3.19 When the member dies, we will pay any life cover to you, according to the terms of the plan as long as the plan is still in force.
- a) If the life cover shown on the schedule is 'inclusive' of the accumulated fund, the amount we will pay on the member's 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 schedule is 'exclusive' of the accumulated fund, the amount we will pay on the member's 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 schedule, we will pay the value of the accumulated fund on the date of death.

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

The plan will end when the member dies and we pay out the benefits.

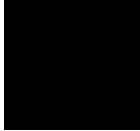
- 3.20 Life cover (either inclusive or exclusive - see paragraph 3.19 a and 3.19 b) will end when we have used all the accumulated fund to provide retirement benefits, no later than the normal retirement date.
- 3.21 If the member reduces the accumulated fund by taking retirement benefits, and the life cover (if any) is inclusive (includes) 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 (does not include) of the accumulated fund, the life cover will not change.

Contribution cover

- 3.22 Contribution cover will only apply if the regular payments are being made and 'Contribution Cover' is shown as a benefit on the schedule.
- 3.23 If the member becomes disabled, and as long as you have not stopped regular payments, we will continue to make the regular payments. However, read paragraphs 3.25 and 3.28.
- 3.24 The amount of regular payment we will pay
- while you are claiming contribution cover will be equal to the regular payment you were making 12 months before the date from which we agree to pay contribution cover. This means that if you increase your regular payments within the 12 months up to the date we agree to pay contribution cover, we will not include these increases in the amount of contribution cover we will pay.
- We will pay contribution cover as often as you were making the regular payments before the disability.
- 3.25 We will not provide contribution cover benefit until we receive any information and evidence we may reasonably need of the state of health of the member. This may involve the member having a medical examination by a medical officer we have appointed or approved. The member must pay any costs involved.
- 3.26 The member must tell us immediately if he or she changes occupation or moves to a country outside the European Union. We may cancel contribution cover if we believe the change in their circumstances would increase our liability.
- 3.27 We will only provide contribution cover for a disability which happens after the start date of the plan or the date at which the contribution cover was included in the plan, whichever is later.
- 3.28 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 any 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 motorcycle racing or sports, mountaineering, parachuting, potholing and caving, powerboat racing, rock climbing and flying other than as a fare-paying passenger on a regular public airline.
- 3.29 We will stop paying contribution cover on the earliest of the following dates.
- a) The date the member recovers and goes back to their own occupation or the date we believe they are healthy enough to go back to their own occupation.
 - b) The anniversary of the start date of the plan on or following the life assured's 60th birthday.
 - c) The date the member dies.
 - d) The date the member moves to a country outside the European Union. We may pay contribution cover again if the member returns and lives in a country within the European Union. We must receive satisfactory evidence of the member's continued disability.
 - e) The date we start paying the retirement benefits under this plan.
- 3.30 We will take the charge for contribution cover monthly, by cancelling units from the unit account. We will cancel units from the funds in the same percentage as the latest fund split.



Section 4

Funds and unit prices

This section explains how the investment funds work.

4.1 **Introduction**

This plan is unit-linked. Unit-linking is simply a way of working out the value of the plan on any date. You do not own the units. The plan will be linked to units in one or more of the funds in the panel of funds as defined in section 1. The maximum number of funds the plan may be linked to is ten.

4.2 **Working out unit prices**

We work out the investment 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 Exempt Cash Fund, Exempt Guaranteed 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 Exempt Guaranteed Fund. There are circumstances where this price guarantee will not apply. We describe these funds in more detail later on.

You can find exact details of how we work out fund prices in the resolutions and rules governing the funds. You can get a copy of these from our chief office.

4.3 **Fund charges**

Regular contribution charges.

We take certain charges on the amount of the accumulated fund that is built up from regular contributions and we summarise our current charges for each fund in the following table.

Panel of funds	Actual fund management charge each year
Consensus Fund Series Q	1.65%
Exempt Equity Fund Series Q	1.75%
Exempt Active Fund Series Q	1.75%

Pension Protection Fund Series Q	1.75%
Exempt Guaranteed Fund Series Q	2.00%
Exempt Property Fund Series Q	1.75%
Exempt Cash Fund Series Q	1.75%
Exempt Irish Equity Indexed Fund Series Q	1.65%
Exempt Japanese Equity Indexed Fund Series Q	1.65%
Exempt European Equity Indexed Fund Series Q	1.65%
Exempt Fixed Interest Indexed Fund Series Q	1.65%
Exempt North American Equity Indexed Fund Series Q	1.65%
Exempt Pacific Equity Indexed Fund Series Q	1.65%
Exempt UK Equity Indexed Fund Series Q	1.65%
Ethical Global Equity Fund Series Q	1.75%
Secured Performance Fund Series Q	2.15%
Indexed Global Equity Fund Series Q	1.65%
KBC Managed Fund Series Q	2.16%
Fidelity Managed International Fund Series Q	2.25%
Irish Life International MAPS Fund Series Q	2.00%
Fidelity European Equity Fund Series Q	2.25%
Fidelity UK Special Situations Fund Series Q	2.25%

Single contribution charges

We take different charges on the amount of the accumulated fund that is built up from single contributions. We have summarised our current charges for each fund in the following table.

We take the underlying fund management charge as shown below but then add back units to the accumulated fund each month to reduce the effect of the charge. The lower charges are shown in the column 'effective fund management charge each year'.

Panel of funds	Actual fund management charge each year	Effective fund management charge each year
Consensus Fund Series Q	1.65%	0.9%
Exempt Equity Fund Series Q	1.75%	1.0%
Exempt Active Fund Series Q	1.75%	1.0%
Pension Protection Fund Series Q	1.75%	1.0%
Exempt Guaranteed Fund Series Q	2.00%	1.25%
Exempt Property Fund Series Q	1.75%	1.0%
Exempt Cash Fund Series Q	1.75%	1.0%
Exempt Irish Equity Indexed Fund Series Q	1.65%	0.9%
Exempt Japanese Equity Indexed Fund Series Q	1.65%	0.9%
Exempt European Equity Indexed Fund Series Q	1.65%	0.9%
Exempt Fixed Interest Indexed Fund Series Q	1.65%	0.9%
Exempt North American Equity Indexed Fund Series Q	1.65%	0.9%
Exempt Pacific Equity Indexed Fund Series Q	1.65%	0.9%
Exempt UK Equity Indexed Fund Series Q	1.65%	0.9%
Ethical Global Equity Fund Series Q	1.75%	1.0%
Secured Performance Fund Series Q	2.15%	1.4%
Indexed Global Equity Fund Series Q	1.65%	0.9%
KBC Managed Fund Series Q	2.16%	1.41%
Fidelity Managed International Fund Series Q	2.25%	1.5%
Irish Life International MAPS Fund Series Q	2.00%	1.25%
Fidelity European Equity Fund Series Q	2.25%	1.5%
Fidelity UK Special Situations Fund Series Q	2.25%	1.5%

We can only increase the rate of any fund management charge 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 dealing with those policies linked to the funds rose higher than expected.

4.4 Fund price guarantees

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

4.5 The Exempt Guaranteed Fund

Working out the unit price

The investment price of units in the Exempt Guaranteed Fund cannot fall. We also guarantee the growth each calendar year to equal at least a minimum rate we declare (up front) each year. We work out this minimum by taking account of the value of the assets of the Exempt Guaranteed Fund, the investment price of all the units of the fund and the expected future return on these assets.

The market value adjuster

Irish Life will reduce the value of the fund within the Exempt Guaranteed Fund by applying a market value adjuster if you choose to move the investment out of the Exempt Guaranteed Fund before the normal retirement date. The reason for this is to reflect any shortfall between the value of the assets in the fund and the investment price of all the units in the fund. This is required to safe-guard the investment fund of existing customers who have not yet retired.

We then work out the value of the units in the Exempt Guaranteed Fund as follows.

- The number of units in the Exempt Guaranteed Fund
multiplied by
- The investment price of units in the Exempt Guaranteed Fund
multiplied by
- The market value adjuster.

If we use the market value adjuster, it will reduce the fund value to reflect any shortfall between the value of the assets in the fund and the investment price of all the units in the fund.

We will not use the market value adjuster for units of the Exempt Guaranteed Fund if the member retires on their normal retirement date or if we cash units in to pay costs such as life cover charges, or when the member dies.

4.6 The Secured Performance Fund

Working out the unit price

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

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

The market value adjuster

In certain circumstances Irish Life will reduce the value of the fund within the Secured Performance Fund using a market value adjuster. The reason for this is to reflect any shortfall between the value of the assets in the fund and the investment price of all the units in the fund.

Using the market value adjuster

We will apply the market value adjuster to 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 all or part of the accumulated fund to another retirement benefits scheme in accordance with section 3.9. We will not make an adjustment if the transfer arises from the member moving to a new employer.

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

- The number of units in the Secured Performance Fund multiplied by
- The investment price of units in the Secured Performance Fund multiplied by
- The market value adjuster.

If the market value adjuster is used it will reduce the fund value to reflect any shortfall between the value of the assets in the fund and the investment price of all the units in the fund. We will not use the market value adjuster for units of the Secured Performance Fund if the member retires after regular payments have been invested for at least ten years, the member dies or you 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. We need these conditions to protect the interests of customers already invested in the fund.

4.7 Switching between funds - future payments

You may choose to change the funds into which we place units in this plan. 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.

4.8 Switching between funds - accumulated funds

You may choose to switch the accumulated fund to another fund. We do not currently charge for this option. The investment prices we use for your switch will be those on the same working day we receive your request. If units are being switched out of the Secured Performance Fund or the Exempt Guaranteed Fund, we take the value of units in the fund after using the market value adjuster as described in sections 4.5 and 4.6.

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

4.9 Automatic switching between funds

Consensus Lifestyle is a service under which we invest assets in the Consensus Fund when you are five years from your chosen retirement date. We then gradually switch 25% of the fund into the Exempt Guaranteed Fund and 75% into the Pension Protected Fund as you get nearer to retirement.

You can switch in and out of Consensus Lifestyle at any time but the normal switching rules will apply. There is no charge for any of the switches made within Consensus Lifestyle.

Switches will take place every month in the five years leading up to your chosen retirement date.

Section 5

Payments and charges

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

- 5.1 The investment payment will be the regular payment multiplied by an investment factor for the first year and an investment factor for other years (as shown on the schedule).
- 5.2 While the plan is still in force and you continue to make payments, we will place extra units in it on the day immediately before each fifth plan anniversary on or after the tenth plan anniversary. The value of the extra units will equal 5% of the proportion of the fund that has built up from regular payments. The loyalty bonus will not apply to the proportion of the fund that has built up from single payments.
- 5.3 If you increase the regular payment at any time, the investment factor for the part of the regular payment which represents the increase may be different from the investment factor for the rest of your regular payment.
- 5.4 The plan fee in 2004 is €3.81 a month. We will increase the plan fee each year by:
 - the increase in the Consumer Price Index for the previous year; or
 - 5%;whichever is higher.
- 5.5 We will take the charge for life cover, contribution cover and the plan fee by cancelling units from the unit account at the investment price. We will cancel units from the unit account in the same percentage as the latest fund link for new regular payments we have been told about.
- 5.6 The investment factor for single payments (if this applies) will be shown on the schedule or endorsement. The investment factor for extra single payments will be those available at the time you make the extra single payment. We will invest the single payment in one or more funds you have chosen. This will depend on any restriction we may decide to use.
- 5.7 We will take fund management charges and these will depend on the fund link chosen. You can find details of these charges in paragraph 4.3.
- 5.8 You must pay charge of €9.50 to the Pensions Board each year (this applies from February 2004) or any other amount which may apply according to section 25, Pensions Act 1990. We will pay the Pensions Board charge on your behalf. We will take the amount of the charge from the accumulated fund by cancelling units. We will cancel units from the unit account in the same percentage as to the latest fund link for new regular payments we have been told about.

Section 6

Claims

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

- 6.1 Before we will pay or make the life cover or retirement benefits available we must receive the following.
- a) A filled-in claim form.
 - b) Proof of your entitlement to claim the proceeds of the plan. This would include keeping to these terms and conditions and the schedule.

Also, before we will pay the life cover, we must receive the following.

- c) 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 plan document.
- e) Confirmation of the member's salary and information relating to any other pension benefits.

6.2 To protect the member's entitlements, we may need other proof that the person claiming is entitled to the proceeds of the plan. 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 plan by referring to the member's date of birth. If we have an incorrect date of birth for the member, we will change the benefits to the correct level for the age given on the application form.

Section 7

Tax

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

Approval

- 7.1 The Navigator for Company Pensions is a retirement benefits scheme as defined by Chapter 1 of Part 30 of the TCA. The plan is capable of being approved by the Revenue Commissioners as an exempt approved scheme. Individual approval will be required and obtained from Revenue when the plan is established. You cannot make changes to the plan without the approval of the Revenue Commissioners.
- 7.2 We do not have to accept additional payments under this scheme if the Navigator for Company Pensions is no longer treated by the Revenue Commissioners as an exempt approved scheme.
- 7.3 We will write and tell you about any changes made to the plan to keep it in line with the Revenue Commissioners' requirements and how (if at all) any benefits under the plan may be affected.

- 7.4 If tax laws or any other relevant laws change after the start date, we will alter the terms and conditions of the plan if we need to keep the plan in line with those changes. We will write and tell you about any alterations in the terms and conditions.



Section 8

Law

This plan will be governed by Irish Law and the Irish courts are the only courts which are entitled to hear any disputes.