

Navigator for Personal Pensions

CLOAS
Form NAVIP

TC 1028 (REV 09/04)

Terms and conditions booklet



This is your terms and conditions booklet for your Navigator for Personal 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 you with an income 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 plan in this terms and conditions booklet, 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 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. 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 make the payments 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 you retire at your chosen retirement age. The chosen retirement age is shown in the schedule. 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 depend on conditions imposed by the Revenue Commissioners.

You, or your chosen dependants, are entitled to receive all of the benefits outlined in this plan 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 plan, 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 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

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 Office of the Insurance Ombudsman of Ireland. This does not affect your right to take legal action. You can get more information from:

Office of the Insurance Ombudsman
32 Upper Merrion Street
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 we may pay from this plan when you retire or die. You can get more information on how pension adjustment orders work from the Pensions Board or your solicitor.

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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 in 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 TCA 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.

Chosen retirement date

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

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 you choose this benefit, you may stop payments for a period if you are disabled. We will place units into the unit account as though you were making the regular payment. (See paragraphs 3.21 to 3.29.)

Dependant

Your husband, wife or child or any other person who depends on you financially immediately before your death. For this purpose a child includes a stepchild 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 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.

Endorsement

If the terms and conditions of the plan have been changed or are different to the standard terms, we will 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 which 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 you 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.

Life assured

The person on whose life the plan benefits depend. This is the person named in the schedule.

Life cover

The amount we will pay on your death, 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.

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 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 you should make payments to us. You will choose how often you make payments and this will be shown on the application form. There will be no payment 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. We are a qualifying fund manager.

Regular payments

Any regular payment as shown in the schedule or otherwise paid according to the terms of this plan. It includes any increases in regular payments (see paragraph 2.4). 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.

Single payment

A payment which is not a regular payment.

Schedule

The schedule that forms part of this plan.

Start date of the plan

The date shown in the schedule.

Specified income

A pension or annuity which is paid for your life including a pension paid under the Social Welfare (Consolidation) Act 1993.

Suspension

Where we have agreed that you can stop regular payments 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 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 allocated to your plan in each fund.

We, us, our

Irish Life Assurance plc.

Your, you

The person named as the customer 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

your life cover (if any) will automatically increase each year on the anniversary of your start date (as shown on the schedule). Both your regular payments and 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 asking for evidence of your health.
- We can restrict the normal amount of the automatic increase in the life cover, if the amount we must pay on your 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. You 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 you reach your chosen retirement age or until you die or the accumulated fund value is zero, whichever is the earliest.
- if you are 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.

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 were stopped, if you wish to reinstate the cover also, we will ask for evidence of your health.

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

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 chosen retirement date.
 - b) The first day of the month (between your 60th and 75th birthdays) after you tell us in writing that you want 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 want to claim retirement benefits because of serious ill health. Revenue will allow you to take your benefits before age 60, as soon as we receive medical evidence to show that you are seriously ill. 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 want 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.

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

- decide to take retirement benefits;
- have reached age 75; or
- die.

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 depends on Revenue limits. 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 choose 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. We will use our annuity rates at the time you choose the benefits to work out the amount of benefit that you will receive. The Revenue Commissioners may place restrictions on the amount of benefit that we may pay. We normally pay annuities every month for the month to come.

Some extra 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, we will continue to pay your annuity 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 they die. 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% 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 when you retire, you can transfer, to an approved minimum retirement fund (AMRF):

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;
whichever is lower.

You cannot cash all your AMRF in until you are 75. Until then, you are allowed to cash part of it in but this is limited to the investment gains and income your 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 your plan). 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:

- you may withdraw income or profits from your AMRF;
- you may transfer the proceeds of your AMRF to another qualifying fund manager; or
- you may use the proceeds of your AMRF to buy an annuity.

Taxed cash lump sum and approved retirement fund

3.5 After investing in an AMRF or annuity, or if you can show that you are currently receiving a guaranteed income for life from other sources of €12,700 a year, you can use the rest (if any) of your accumulated fund in either of the following ways.

a) You may take a lump sum. You will pay income tax on this lump sum for the year of assessment in which you receive it.

b) You can invest it in an approved retirement fund (ARF).

Open market option

3.6 You can also choose to buy 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 we have 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 we have made to you, to the other qualifying fund manager.

Cashing in or assigning (transfer of ownership) the benefit

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

Transferring your plan

3.8 You may transfer this plan to another retirement annuity contract approved under Chapter 2, Part 30 of the TCA or to a Personal Retirement Savings Account approved under Part X of the Pensions Act 1990 and Chapter 2A, Part 30 of the TCA. Our plan can receive 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.

Any transfer payment will be treated like a single payment.

Life cover

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

3.9 Under the plan we cover you 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 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)
 - The amount of life cover less the accumulated fund, if life cover is shown as 'inclusive' on the schedule.
 - The amount of life cover, if life cover is shown as 'exclusive' on the schedule.

b) Your 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 your smoking habits. We may change these rates to reflect our actual experience.

3.11 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.

3.12 If at any time the accumulated fund is less than the life cover charge due, the plan will end and all benefits will end.

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 payment 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 plan 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 we increased the life cover.

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 mistake you or any person acting for you have made.

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 payment 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 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 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 schedule is 'exclusive' of the 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 schedule, we will pay the value of the accumulated fund on the date of death.

We will pay any life cover according to the conditions set by the Revenue Commissioners.

The plan 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 we have used all the accumulated fund to provide retirement benefits, no later than the chosen retirement date.

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

If the life cover does not include the accumulated fund, the life cover will not change.

Contribution cover

3.21 Contribution cover will only apply if you are making the regular payments and 'Contribution cover' is shown as a benefit on the schedule.

3.22 If you become disabled and as long as you have not stopped making regular payments, we will continue to make the regular payments as described in paragraph 3.23.

3.23 The amount of regular payment which we will make 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 have increased 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.

3.24 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 costs involved.

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 plan or the date at which the contribution cover was included in the plan, 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 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, motorcar 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.

3.28 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 go back to your own occupation.
- b) The anniversary of the start date of the plan 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 plan.

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 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 your 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 can be linked to is 10.

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

- decide to take retirement benefits;
- reach your chosen retirement date; or
- die.

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 will find exact details of how we work out 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 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 Indxd 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 Indxd 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 plans linked to the funds rose higher than expected.

4.4 Fund price guarantees

The prices of units in all funds, except 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 you retire on your chosen retirement date or you cash in the units to pay costs such as life cover charges, or when you die.

4.6 The Secured Performance Fund

Working out the unit price

The investment price of units in the Secured Performance Fund cannot fall. Also, the investment price is guaranteed to increase in a set way 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 10 years of entering the Secured Performance Fund;
- b) you choose to switch the investment out of the Secured Performance Fund into another of the funds; or
- c) you choose to transfer your accumulated fund to another retirement annuity contract approved under Chapter 2, Part 30 of the TCA or to a Personal Retirement Savings Account approved under Part X of the Pensions Act 1990 and Chapter 2A, Part 30 of the TCA before your chosen retirement date as outlined in paragraph 3.8 above.

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 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 Secured Performance Fund if you:

- retire after regular payments have been invested for at least 10 years;
- are retiring due to serious ill-health;
- 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. 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 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. 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 choose. 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 will find these charges in detail in paragraph 4.3.

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.
 - 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 plan document.
- 6.2 To protect your 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 your date of birth. If we have your incorrect date of birth, we will change the benefits to the correct level for the date of birth 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 Personal Pensions is a Retirement Annuity Contract approved under Chapter 2, Part 30 of the TCA. 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 Personal Pensions is no longer treated by the Revenue Commissioners as an approved Retirement Annuity Contract.
- 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 that are entitled to hear disputes.