

SecureTrack 4 Option 4

Form: SV04SAA/SV04LAA

TC 1483 (NPI 05-09)

Terms & Conditions

booklet

This is your Terms and Conditions booklet for SecureTrack 4 Option 4. Please keep it safe in your welcome pack, as you will need to refer to it in the future.

Introduction

We (Irish Life Assurance plc) are providing this investment for you (the investor or investors named in the schedule) based on the application form you signed.

Our contract with you is this investment. It is made up of:

- the investment schedule;
- this set of terms and conditions;
- the application form;
- the fund rules (we will send these to you if you ask for them); and
- any extra rules added by authorised Irish Life staff (we will advise you if it becomes necessary for us to add any extra rules).

We pay benefits in return for the money you paid us - the amount is shown on your investment schedule. All benefits under this investment will normally be paid in euro.

We will pay out money only from the assets that we hold to make payments to investors.

In legal disputes Irish law will apply. The only rules, terms or conditions that are legally binding are those set out in our contract with you.

You will find more detailed information on all these matters in the relevant sections of these terms and conditions.

Who receives the money we pay out?

There are a number of cases when the person we pay will be different from the SecureTrack 4 owner. For example, we may pay:

- the owner (or owners);
- the trustees;

- executors or administrators;
- assignees; or
- an attorney.

If you are the only SecureTrack 4 owner, we will normally pay you. If you die, we will pay the person acting as the executor or administrator of your estate.

If you have transferred the investment to someone else (for example, to a bank as security for a loan), we will pay them. If the investment is 'under trust', we will pay the trustee (or trustees) responsible to the people named as beneficiaries of the trust. The right to receive the benefits of the investment may also pass to other people, such as an attorney appointed by the owner.

You must tell us if you transfer the investment to someone else.

If there are two owners, we will pay you both jointly. However, if one of you has died, we will pay the survivor. If you have both died, we will pay, as appropriate:

- the executors or administrators who are dealing with the estate of the last person to die;
- the person the investment was transferred to; or
- the trustees.

Can the policy be cancelled or amended by the insurer?

If the cost of administering your SecureTrack 4 investment increases unexpectedly we may need to increase the charges on your investment. Also, we can alter the investment (or issue another investment in its place) if at any time it becomes impossible or impracticable to carry out any of the rules of your investment because of a change in the law or other circumstances beyond our control. Before we alter

your **SecureTrack 4** investment (or issue another in its place), we will send a notice to your last known address explaining the change and your options.

Writing to us

If you need to write to us about this investment, please send your letter to:

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

Cooling-off period

If, after taking out this investment, 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 30 days of the date we send you your welcome pack, we will refund your money. However, we will take off an amount to reflect any fall in investment values which may have happened over the period your investment was in force. We strongly recommend that you consult your financial adviser before you cancel your investment.

Complaints

We will do our best to sort out any complaint you might have fairly and promptly through our internal complaints procedure. However, if you are not happy with the outcome of your complaint, you should contact the Financial Services Ombudsman at:

Financial Services Ombudsman's Bureau
3rd Floor
Lincoln House
Lincoln Place
Dublin 2
Lo call: 1890 88 20 90
E-mail: enquiries@financialombudsman.ie

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These sections give you other information you need to know.

Definitions

Section 1

Amount invested

This is shown on the investment schedule as the total amount invested.

Benefit amount

The amount we pay on the fund end date, before tax has been taken off.

Fund end date

The fund end date is 3 April 2014 and is the date on which the closing level of the stockmarket indices is set and it is on this date that your investment in SecureTrack 4 ends.

The closing level of the indices is the level of the stockmarket indices, at the close of trading, on the relevant stock exchanges.

If the closing level of the stockmarket indices cannot be set on the fund end date, the closing level will be the level when business ends on the next day on which a closing level for the stockmarket indices is available.

Capital protection amount

The capital protection amount is 90% of the amount you choose to invest in SecureTrack 4 Option 4.

This capital protection amount applies on the fund end date only.

Capital protection

We (Irish Life) provide the minimum capital protection amount for the SecureTrack 4 Option 4. This means we will provide the capital protection amount of 90% of your original investment amount in the SecureTrack 4 Option 4 at the end of 4 years 9 months.

Irish Life Assurance plc. (Irish life Centre, Lower Abbey Street, Dublin 1) is regulated by the Financial Regulator.

Fund value

The total number of units in the fund multiplied by the unit price on a given date.

Unit price

The value of a unit in the fund. This will rise or fall over time depending on how the assets in the fund perform. You can ask us for a copy of the rules that set out how we work out the value of a unit. The unit price on any given date is the price we have set for that date.

Life (or lives) covered

The person (or people) named on the investment schedule as the investors on whose death we will pay the death benefit. For joint life investments, we pay the death benefit only when the second life covered dies.

Start date

3rd July 2009

SecureTrack 4 funds

SecureTrack 4 Option 4

This is a unit-linked fund.

You can ask us to send you a copy of the rules relating to this fund and describing how it works.

Unit

A unit of any of the fund. Each of the funds available (SecureTrack 4 Option 4) contains a number of identical units. We will work out the value of each unit by referring to the value of the assets of the fund. We set aside a number of these units for the investment to work out its value.

Valuation date

The date we value the assets relating to the fund.

We, us, our

Irish Life Assurance plc (Irish Life).

You, your

The person legally entitled to receive the benefits from the investment. This will normally be the SecureTrack 4 owner (or owners) named on the investment schedule. However, in certain circumstances this may be, for example, an 'assignee' if the investment has been used as security for a loan. (An assignee is someone who an interest in this investment has been transferred to.)

Unit-linking

Section 2

This investment is unit-linked. Unit-linking is a method of working out the value of your investment on any date. You do not own the units.

Until the fund end date, your investment is linked to units in SecureTrack 4 Option 4. You will normally cash in your investment on the fund end date. If you do not cash in your investment on the fund end date, your investment will be linked to units in the Life Claims Cash Fund.

We work out the prices of units taking account of the market values of the assets in which funds are invested. As a result, the prices may go down as well as up. Exact details of how we work out these prices are in the resolutions and rules governing how we run this fund (these are available from our head office).

Death benefit

Section 3

On the date we are told about the death of the life covered (or the second of the lives covered where there are two shown on the investment schedule), we will switch the fund value to the Life Claims Cash Fund based on the unit price for that day.

We do not charge for this switch.

The death benefit we pay (before tax) will be the higher of:

- 90% of the original amount you invested
- 100.1% of the value of your fund at that stage, based on the unit price for the day we receive all the documents we need (as described in section 4).

We will not pay the death benefit if you cash in the investment before you or the joint investor dies.

If we pay the death benefit, the investment will end and we will not pay any other amounts.

What we need before paying benefits

Section 4

Before we can pay you the death benefit or cash-in value, you will need to give us:

- a filled-in claim form (available from any of our offices);
- proof that the person making the claim is entitled to the money from the investment;
- these terms and conditions and the investment schedule; and
- if you (or the second of two joint investors) have died, a death certificate.

To protect you, we may need other proof that the person claiming is entitled to the money from the investment. To make sure that we pay the money (less any tax) to the correct person, the person claiming may also need to provide other documents (such as 'deeds of assignment', trust documents, a power of attorney or grant of representation) to show who is entitled to the money.

Cashing in before the fund end date

Section 5

You may not cash in this investment (either fully or partly) before the fund end date.

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Section 6

The growth in stockmarket indices at any valuation date will be $(SI_1 - SI_0) \div SI_0$

SI_1 is the value of the stockmarket indices at that date, as worked out by Irish Life Investment Managers Ltd. SI_0 is the value of the stockmarket indices at the start date of the investment.

The stockmarket indices are of three major world stockmarket indices.

Stockmarket indices

- EURO STOXX 50 – the Dow Jones EURO STOXX 50 Index is a market-value-weighted index of 50 European blue-chip stocks from those countries taking part in the European Monetary Union.
- S&P 500 – the Standard & Poors 500 Index is a float-weighted index of 500 American blue-chip stocks.
- FTSE 100 – the Financial Times Stock Exchange 100 index is a market-value-weighted index of 100 UK blue-chip stocks.

The value of the stockmarket indices will be set at the close of business on the valuation date.

The growth in your investment is 90% of the growth in the stockmarket indices. In calculating the growth in the stockmarket indices, the maximum growth on each individual stockmarket index is limited to 90%. If a stockmarket index grows by more than 90% over the term of the investment then it will be assumed to have grown by 90% for the purposes of calculating the growth in the stockmarket index. This means that the maximum return, before tax and allowing for the capital protected amount, on your investment is 71%.

Will the mix of stockmarket indices in my SecureTrack 4 fund change?

Section 7

The mix of stockmarket indices SecureTrack 4 invests in should stay the same over your investment period. If one or more of the stockmarket indices listed is no longer publicly quoted or is changed so that it is no longer a useful measure of market performance, The Royal Bank of Scotland plc (RBS) in conjunction with Irish Life Investment Managers will decide how to alter the appropriate mix of stockmarket indices in the fund. For more information on RBS see section 9.

SecureTrack 4 Option 4 final return (averaging returns on the second fund end date)

Section 8

Your investment should protect you against unstable market conditions.

For this reason, we work out the final growth rate of the stockmarket indices on the fund end date using the average of the growth in your investment on:

- the fund end date itself; and
- the 3rd or next working day of each month for the 12 months before the fund end date.

Doing this will protect the value of your investment if the value of the stockmarket indices falls over the final 12 months. However, it will also reduce the growth in your investment if the value of the stockmarket indices rises over the final 12 months.

Capital protection amount and defined returns on the fund end date

Section 9

Capital protection

We (Irish Life) provide the minimum capital protection amount for the SecureTrack 4 Option 4. This means we will provide the capital protection amount of 90% of your original investment amount in the SecureTrack 4 Option 4 at the end of 4 years 9 months.

Growth Potential

If, over the 4 year 9 month term, the returns on the stockmarket indices in SecureTrack 4 Option 4 are positive, then RBS has contracted to provide to us the defined returns for the fund. This means that at the end of the investment period RBS are to provide to Irish Life 90% of any growth that takes place in the stockmarket indices. In calculating the growth in the stockmarket indices, the maximum growth on each individual stockmarket index is limited to 90%. This means that the maximum potential return, before tax and allowing for the capital protected amount, on your investment is 71%.

The growth after 4 years 9 months is adjusted to reflect the average growth in the stockmarket indices taken every month over the final 12 months of the investment period.

Your contract is with Irish Life. Separately Irish Life has contracted with RBS to provide the defined returns to Irish Life in relation to the fund in which we invest your money. Irish Life's commitment to you is to pass on the full value of the underlying

fund, including the amounts it receives from RBS in respect of your investment. Our commitment to you is restricted to the amounts we actually receive from RBS. No other assets of Irish Life will be used to meet these commitments. This means that if RBS is unable to meet its commitment to Irish Life, then you may not receive the defined returns.

RBS' commitments are restricted to their contracts with Irish Life. You do not have a contract with RBS .

The Royal Bank of Scotland plc. (280 Bishopsgate, London, EC2M 4RB) is a Public Limited Company and is authorised by the United Kingdom Financial Services Authority. You do not have a contract with The Royal Bank of Scotland plc.

Benefit amount on the fund end date

Section 10

We will work out the benefit amount on the fund end date as follows.

Your capital protection is to give you 90% of the amount invested in this fund (as shown on your investment schedule) plus the amount invested in this fund multiplied by the fund end date final return (allowing for averaging as set out in section 8) for SecureTrack 4 Option 4.

The benefit amount cannot be lower than the capital protection amount on the fund end date.

The benefit amount defined here is before tax has been taken off. Section 12 sets out how we take off tax.

Example 1:

Assuming 16% growth in the stockmarket indices (including averaging), an investment of €20,000 would work as follows:

90% of the amount invested	€ 18,000
Growth (90% x 16% x €20,000)	€ 2,880
Benefit before tax	€ 20,880
Excess over the amount invested	€ 880
Take off tax at 28%	€ 246
Amount payable	€ 20,634

Example 2:

Assuming a 25% fall in the value of the stockmarket indices (including averaging), an investment of €20,000 would work as follows:

90% of the amount invested	€ 18,000
Growth (90% x 0% x €20,000)	€ 0
Benefit before tax	€ 18,000
Excess over the amount invested	€ 0
Take off tax at 28%	€ 0
Amount payable	€ 18,000

Example 3:

Assuming 5% growth in the value of the stockmarket indices (including averaging), an investment of €20,000 would work as follows:

90% of the amount invested	€ 18,000
Growth (90% x 5% x €20,000)	€ 900
Benefit before tax	€ 18,900
Excess over the amount invested	€ 0
Take off tax at 28%	€ 0
Amount payable	€ 19,000

Example 4:

Assuming a 1% fall value of the stockmarket indices (including averaging), an investment of €20,000 would work as follows:

90% of the amount invested	€ 18,000
Growth (90% x 0% x €20,000)	€ 0
Benefit before tax	€ 18,000
Excess over the amount invested	€ 0
Take off tax at 28%	€ 0
Amount payable	€ 18,000

What happens on the fund end date

Section 11

On the fund end date (3 April 2014), and as long as the investment is still in force, you will cash in your investment and we will pay you the benefit amount (less any tax due).

If you do not cash in your investment on the fund end date, we will invest the benefit amount in the Life Claims Cash Fund or another equivalent fund which may be available at that time. The number of units set aside for your investment from the Life Claims Cash Fund will be such that the total fund value in the cash fund on that date equals the benefit amount.

You may cash in your investment at any time after the fund end date. The cash-in value we pay will be the fund value of the units in the investment (less any tax due). The unit prices we use to work out your cash-in value will be those for the day we receive your filled-in claim form and any other documents we need.

The investment will end when you cash it in.

We will work out prices for the Life Claims Cash Fund, taking account of our fund charge. As at 1 May 2009, this is 0.5% of the fund value each year. We may increase this fund charge to reflect increases in our expenses for this type of investment and to reflect inflation. We will not increase this charge beyond that which is necessary to meet the then current expense levels.

Tax

Section 12

The benefit amount described in this booklet is the benefit amount due before we take off any tax.

Under current Irish tax law (April 2009), tax is payable on returns made on this investment. We will pay tax at the rate which applies for customers of life-assurance companies. This rate is currently 8% plus the standard income tax rate, which currently gives a rate of 28%. Where the charge applies, Irish Life will deduct any tax due from the value of your investment and pay it to the Irish Revenue. We will pay you the after tax amount.

We must pay Irish tax on investment returns:

- if you cash in your investment after 4 years 9 months;
- if we pay the death benefit;
- on every eighth anniversary (as outlined below); and
- if you transfer all or part of your investment to somebody else. There are some exceptions to this however you must inform us if you transfer the investment.

If you do not cash in the investment on the fund end date, we will transfer it to the Life Claims Cash Fund (see section 11). If your policy is still invested on the eighth anniversary, and on every eighth anniversary, after the start of your investment, we will take off tax at that time.

The tax you pay on each eighth anniversary will reduce the amount invested in the fund from that date onwards. Where tax is deducted from your fund on each eighth anniversary, this tax can be offset against any tax that is payable on a subsequent full encashment.

In some circumstances, more tax may be due after you die. For example, if the benefit is paid to your estate, your beneficiaries may have to pay inheritance tax. There is no inheritance tax due on an inheritance between a married couple. In certain circumstances, inheritance tax due under this investment may be reduced by any tax paid if you die.

If payments are made by anyone other than the legal owner of the investment, for example from a company or business account, there may be other tax implications.

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

Under current tax law, we must take off the correct amount of tax. We make the final decision (in line with all relevant laws and guidelines) on what tax applies to this investment.

Notices

Section 13

You must send every notice and letter relating to this investment to us at:

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

Law

Section 14

This investment is governed by Irish law. The Irish courts are the only courts which are authorised to settle any disputes relating to this investment.

If any tax law or other law changes after the start date and this affects the investment, we may (after giving you written notice) adjust the capital protected amount as we consider fair and appropriate. This is because these terms and conditions are based on current laws, which may change in the future.

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