

TAX AND OTHER IMPORTANT INFORMATION FOR CYPRUS

This document provides the policyholder with important information before investing in the European Executive Investment Bond (ref E04), the European Collective Investment Bond (ref E05) and the European Capital Account (ref E01) provided by Old Mutual International Ireland Limited.

INFORMATION ABOUT THE COMPANY

Old Mutual International Ireland Limited is limited by shares.

Our Registered Office is:

Old Mutual International Ireland Limited
Arthur Cox Building
Earlsfort Terrace
Dublin 2
Ireland

Our administration centre address for correspondence is:

Old Mutual International Ireland Limited
King Edward Bay House
King Edward Road
Onchan
Isle of Man
IM99 1NU

Our head office address is:

Old Mutual International Ireland Limited
Iveagh Court
6-8 Harcourt Road
Dublin 2
Ireland

Registered Number: 309649 Ireland

VAT Number: IE 6329649S

E-mail address: **admin@ominternational.com**

Please note that we are unable to communicate client-specific information or enter into contracts via the internet.

We are authorised by the Central Bank of Ireland and provide unit-linked life insurance policies in various EU and EEA countries by way of freedom to provide services under the European Life Directive as incorporated into local laws.

INVESTMENT RISK AND RESPONSIBILITIES

References to internal unit-linked funds and their assets also includes other external investments that are not part of Old Mutual International Ireland's fund range for European Investment and European Collective Investment Bonds.

Our insurance products are 'unit-linked'. This means that part of the premium, the 'Allocation Percentage', buys notional units in our internal unit-linked policyholder funds. In the case of the European Collective and Executive Investment Bonds, the contract itself represents a unique internal unit-linked fund.

We accept no responsibility for the investment performance of an internal unit-linked fund or a portfolio fund. The value of stocks and shares and units can fall as well as rise and they, as well as bank deposits, could in exceptional circumstances become valueless either temporarily, because of suspension, or permanently. You accept this risk by taking out this policy.

There are no investment guarantees associated with our funds. In particular there is no guarantee of return of capital so you could receive back less than you have paid – this is particularly true in the early years. (We may, however, sometimes provide funds which may offer a guaranteed return at some future date). We offer a fund range with varying risk characteristics shown in the fund factsheets with information about the fund. These are available from your financial adviser or from our website **www.oldmutualinternational.com**.

The value of the portfolio fund investments or units of the internal funds linked to the policy determines the value of the policy. These values will depend on how the assets of the funds perform and can fall as well as rise. In addition, if any of the assets are denominated in a foreign currency, then there will be exchange rate risks.

Depending on the assets of the funds, there may be limits on the liquidity of the assets, which may include a restriction on the days on which units may be created or cancelled. This may be particularly true of funds which invest in immovable property and for which the value is generally a matter of a valuer's opinion rather than fact. If there are difficulties liquidating any assets of the funds, we may defer any transactions involving allocation, cancellation or fund switch of units until such time as we consider appropriate.

By requesting investment into a particular fund or funds you accept these investment risks and responsibilities.

Tax on Old Mutual International Ireland Limited

We are established in the Republic of Ireland and as such we are not liable to payment of Irish tax on income or capital gains attributable to our policyholder funds. There may be an amount of withholding tax on income which cannot be reclaimed.

Tax relief on premiums

It is our understanding that the premiums under our contracts are not eligible for tax relief.

Tax on a policyholder beneficiary

- **Irish tax**

There is no policyholder liability to Irish tax provided that we have an appropriate declaration that the policyholder is non-resident in Ireland at inception of the policy.

- **Cyprus tax**

- 1 Total surrender**

Total surrender proceeds are generally not taxable.

- 2 Partial surrender**

Part surrender proceeds are generally not taxable.

- 3 Death benefit**

Death claim proceeds are generally not taxable.

- 4 Tax relief (only applicable where additional life cover has been selected)**

It is our understanding that it is not possible to claim tax relief for our policy as no charge for life cover is made.

- **Stamp duty**

The amount of stamp duty payable under the Cypriot Stamp Duty Law in respect of life policies depends on the amount payable at the time of death of the insured or at the expiry of the policy as follows:

Amount Insured	Stamp Duty
(a) Does not exceed €854	€1.71
(b) Exceeds €854 but not more than €1 709	€3.42
(c) Exceeds €1 709 but not more than €8 543	€6.84
(d) Exceeds €8 543	€17.09

The minimum initial investment for the European Collective Investment Bond is €37 500 (€15 000 for the European Capital Account and €75 000 for the European Executive Investment Bond).

Stamp duty is payable at the inception and on additional premiums.

Whilst the life cover in the event of death is 101% of the Surrender Value. For the purposes of Cypriot stamp duty only, this is taken to be 101% of the Premium.

The stamp duty payable at inception is €17.09.

Example:

Premium €37 500 the sum at risk for Cypriot Stamp Duty purposes only is therefore €37 875. So stamp duty of €17.09 would be payable.

The minimum additional premium is €3 750. The stamp duty payable when the minimum additional premium is paid is €6.84.

Example:

Premium €3 750 and so stamp duty of €6.84 would be payable.

If an additional premium of €8 460 or more is paid (instead of the minimum premium), the stamp duty payable when the additional premium is paid is €17.09.

Example:

Premium €8 460 the sum at risk for Cypriot stamp duty only is therefore €8 545. So stamp duty of €17.09 would be payable.

Stamp duty is payable by the policyholder.

Stamp duty will be deducted by Old Mutual International Ireland from the premium we receive and paid to the Inland Revenue of Cyprus on your behalf.

Tax on fund switching

There is no tax on fund switching.

LANGUAGE, APPLICABLE LAW OF THE CONTRACT AND HABITUAL RESIDENCE

All the documents we provide will be in the English language. Consequently, we are only prepared to consider applications from applicants who request receipt of documents in English. For Cypriot applicants for whom English is not the first language we will require a request in both English and Greek for the language to be English, accompanied by a declaration of knowledge of the English language.

Our policies are normally subject to the law of the country of habitual residence of the applicant and so will normally be governed by Cypriot law (and the jurisdiction of the Cypriot courts) for Cypriot residents as will any pre-contractual relations, however, as Cypriot law allows a 'choice of law' we are able to offer a contract subject to English law on written request.

Habitual residence is generally the same as tax residence so you will be Cypriot when:

- you are resident in Cyprus for at least 183 days in any calendar year (temporary absence counts toward this total)
- as a company, your management and control is exercised in Cyprus.

Change of country of residence

You must advise us if you change your country of habitual residence.

It will be for you to ascertain whether you will have any tax liabilities and/or reporting obligations to the tax authorities in your new country of residence.

NOMINATIONS (ONLY AVAILABLE FOR CYPRIOT LAW CONTRACTS)

You are able to nominate beneficiaries to receive the benefits from your policy. A nomination can be made in your application or in writing at any later date. Unless you made an irrevocable nomination or the nomination is expressly accepted by beneficiaries by notification to us, you can cancel it or replace it by a new one at any time by notifying us in writing.

Nominations and their revocation will not be recognised by us unless they have been received in writing bearing your signature at our Head Office. Please note that receipt by fax or other electronic means will not be considered as adequate.

Despite the above, you may also create, change or revoke a nomination in your will.

PAYMENT OF DEATH BENEFITS WHERE THERE IS A VALID NOMINATION

If the death benefit is payable on the death of the policyholder then there is no 'probate delay' and we are able to pay the nominated beneficiary on production of proof of the death and entitlement to receive the payment.

PAYMENT OF DEATH BENEFITS WHERE THERE IS NO VALID NOMINATION

If the policyholder had not made (or had revoked) a nomination then the persons legally entitled to the proceeds of the policy will be the legal representatives under the will or intestacy. They will then have to distribute the assets of the estate to those entitled under the will or the Cypriot intestacy laws if applicable.

TRUSTS (ONLY AVAILABLE FOR ENGLISH LAW CONTRACTS)

You are able to assign the policy into trust. The trustees will then hold and administer the policy for the benefit of the beneficiaries in accordance with the terms of the trust. Trusts will not be noted by us unless they have been fully completed and received at our Head Office. Please note that receipt by fax or other electronic means will not be considered adequate.

PAYMENT OF DEATH BENEFITS WHERE THERE IS A VALID TRUST

If the death benefit is payable on the death of the policyholder then provided there is at least one surviving trustee there is no 'probate delay' and we are able to pay the trustees jointly.

PAYMENT OF DEATH BENEFITS WHERE THERE IS NO VALID TRUST

If the policyholder has not assigned the policy into trust, the persons legally entitled to the proceeds of the policy will be the legal representatives under the will or intestacy. They will then have to distribute the assets of the estate to those entitled under the will or the Cypriot intestacy laws if applicable.

SURRENDER CHARGES

Early Surrender Charges may apply to the European Capital Account, if the policy is fully or partially surrendered before five complete years have passed since the last premium was paid. A surrender charge free allowance applies and will be taken into account upon calculation of the Early Surrender Charge as explained in the Policy Terms.

Please note that this charge is not a penalty. For certain charging structures some of the expenses associated with your policy are deferred so that a greater Unit Allocation Percentage applies. In order that we do not suffer financially should you not maintain your commitment beyond the early years, then the charge is designed to recompense us for the expenses we have been unable to recoup.

CHANGING THE TERMS OF THE CONTRACT

We reserve the right to amend certain contractual provisions as explained in the Policy Terms. For example we may increase some of the charges. In the event of such amendment, you may, if you wish, terminate the contract by exercising your right to terminate the policy by surrender.

By completing the application form you accept that we have this right.

CANCELLATION RIGHTS

You may cancel the policy within 30 days of the earliest date you know the contract started by giving written notice to us at our Head Office. Normally, this will be the date you receive our letter confirming the date the contract for your policy started.

Old Mutual International Ireland Limited will return the initial premium amount minus any investment loss caused by a decline due to market fluctuations which have occurred between the date you have paid the premium and the date on which the written notice of cancellation is received at Old Mutual International Ireland Limited Head Office. No product charges will be applied to the amount returned. This amount will be repaid to you within one month of Old Mutual International Ireland Limited receiving written notice of cancellation. The way of calculating the amount to be returned, can be determined in the following way:

Amount to be returned = Lump sum of the premium that was recorded multiplied by A/B

Where by:

A = offer price on the date when the right of revocation was exercised in accordance to Article 134(6) of the Law and

B = offer price on the date when the lump sum of the premium which was recorded.

The maximum amount of A/B is 1.

A similar right will apply if you pay an addition lump sum premium.

COMPLAINTS AND OUT OF COURT CLAIM SETTLEMENT PROCEDURE

Should you have cause to complain, please write to Old Mutual International Ireland's Compliance Officer at our Head Office address.

If you are not satisfied with our response you can complain to:

Financial Services Ombudsman Bureau
3rd Floor, Lincoln House
Lincoln Place
Dublin 2

The Financial Services Ombudsman is a statutory officer who deals independently with unresolved complaints from consumers about their individual dealings with all financial service providers. It is a free service to the complainant. Further details of the service can be found on their website at

www.financialombudsman.ie

Old Mutual International Ireland Limited has not omitted to disclose to any interested person any material information in relation to the insurance contract.

This document is based on our understanding of the taxation and legal framework in Cyprus as at May 2012. While every effort has been made to ensure the accuracy of this document, we have only been able to indicate the general position and do not give tax or legal advice and can accept no responsibility for any act or failure to act based upon its content. Therefore we strongly recommend you to seek independent taxation and legal advice regarding the suitability of any particular product to your own personal circumstances.

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Calls may be monitored and recorded for training purposes and to avoid misunderstandings

Old Mutual International Ireland Limited is regulated by the Central Bank of Ireland. Registered No 309649

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Registered Office: Arthur Cox Building, Earlsfort Terrace, Dublin 2, Ireland.

Old Mutual International is registered in Ireland as a business name of Old Mutual International Ireland Limited.