

DETAILS OF YOUR SILK LIFE PLAN - SINGAPORE

POLICY TERMS AND CONDITIONS (REF LIG2) FOR SINGAPORE ACCREDITED INVESTORS ONLY

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Utmost Wealth Solutions is a registered business name of Utmost International Isle of Man Limited Singapore Branch.

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Registered in Singapore Number T08FC7158E. Authorised by the Monetary Authority of Singapore to conduct life assurance business in Singapore.

Member of the Life Insurance Association of Singapore. Member of the Singapore Finance Dispute Resolution Scheme.

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ULQ PR 09809 | 07/24



This document is effective for Silk Life Plan contracts which start after on or after 8 July 2024.

This document was last updated in July 2024. Please confirm with your financial adviser representative that this is the most up-to-date document for your product or servicing needs.

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TERMS APPLICABLE TO THE SILK LIFE PLAN (REF LIG2)

PART A – PRELIMINARY CONDITIONS

1. THE SILK LIFE PLAN CONTRACT

1.1 The Silk Life Plan contract is an investment linked whole of life assurance Policy for Accredited Investors. It provides benefits when the Relevant Life Assured dies as described in Term 5.1.

1.2 We have designated the Silk Life Plan as a product only suitable for Professional Investors.

1.2.1 You must determine and confirm as part of the application process whether you meet our definition of Professional Investor. We will rely solely on your confirmation, as part of our application acceptance criteria, that you meet our definition of a Professional Investor. Given that we do not have any detailed knowledge of your circumstances or characteristics, we will not undertake any investigations as to whether you meet this definition or not. It is therefore essential that you give careful consideration to whether you are or are not a Professional Investor.

1.2.2 The Silk Life Plan allows investment into various types of Assets as detailed in Term 11 and some of these Assets are only suitable for Professional Investors. You accept the level of risk associated with these Assets including the risk that the investment into such an Asset:

- a. could provide a lower degree of investor protection and regulatory safeguards; and
- b. could result in a loss of significant proportion of some or all of the sums invested; and
- c. may have a minimum duration, impose significant redemption penalties or are illiquid.

1.2.3 If you no longer meet our definition of Professional Investor, we will not restrict the choice of Assets available under the Silk Life Plan. It is your responsibility to only choose Assets which are suitable for Retail Investors or to inform the Investment Adviser Representative that you are now a Retail Investor.

1.3 This document called the '**Policy Terms**' contains full details of the Policy. It spells out the commitments and rights of both of us as the parties to the contract in this and the following sections (each called a '**Term**'). The Terms applicable to your contract are:

1.3.1 Part A the Preliminary Conditions; and

1.3.2 Part B the General Conditions which apply to the Silk Life Plan.

Your Silk Life Plan is issued as a number of separate Policies, known as a 'Cluster of Policies', each representing an equal proportion of your Silk Life Plan. You may specify in your application the number of Policies to issue. These Terms apply equally to each of the Policies. If you have not specified the number of Policies to issue, one Policy will be issued.

For our administrative purposes, we may say that all the Policies are dealt with in the same way for some transactions.

1.4 No Term can be varied or waived in any way unless we evidence it by an endorsement or written communication signed by one of our authorised officials. If we have by mistake or deliberately waived the enforcement of a Term on an occasion, this does not constitute a waiver of our respective rights and obligations at any future time.

2. DICTIONARY

2.1 Some words used in the Terms have a special meaning and to help you explain those which appear most often here, we show them in **bold type**. We explain other words which appear less often where they first appear in the document or where they are most relevant. They also appear there in bold type. Any defined words (other than personal pronouns) are shown with the first letter capitalised.

2.2 **We, us** and **our** means Utmost International Isle of Man Limited. **You, your** and the **Policyholder** means the other party to this agreement when the contract is made. It also means a person who becomes the Policyholder in the future if ownership of the **Policy** transfers to them or if they become legal representative to the estate of the relevant **Policyholder** after they die.

2.3 Acceptable Asset

An Asset which has been accepted by us in accordance with the process described in Term 11.2 and is one which fits into the types of Acceptable Assets set out in Term 11.

Accredited Investor

A person, including a legal person, the trustees of a trust, or a partnership as defined in the Securities and Future Act 2001.

Actuary

Our officer who has legal responsibilities concerning our sound and prudent financial management. They also have a professional duty to consider the interests of all of our policyholders.

Allocated Units or Units

The notional shares in the Assets of the Portfolio Fund as explained in Term 8. We allocate them when you pay a Premium.

Allocation Amount

The Premium less any reduction in the Premium amount to reflect an Allocation Percentage of less than 100%, or the Premium plus any increase in the Premium amount to reflect an Allocation Percentage of more than 100%.

Allocation Percentage

The percentage of the Premium used to calculate the number of Units allocated to your Policy each time you pay a Premium.

Annual Allowance

This only applies to Life Cover Only Policies and is the amount at the start of each Policy year that can be withdrawn from the Policy without a reduction in the Sum Assured.

Assets

The range of Assets which can be included within the Portfolio Fund and which are either Acceptable Assets or Bespoke Assets, as described in Term 11.

Authorised Custodian

A professional banker or other organisation which is authorised, where appropriate, by its regulator to provide custodian and depository services and which we have appointed at your request.

Bank Deposit

A bank or similar deposit whether instant access, on notice, or for a fixed term.

Bespoke Asset

An Asset which is not an Acceptable Asset and which falls under the process described in Term 11.3.

Branch Office

Our branch office in Singapore. The address of which is shown in the acceptance letter for your application.

Charges Schedule

The schedule issued showing the Portfolio Fund Charges that apply to your Policy or Cluster of Policies.

Claimant

The person with a legal right to receive payment of the Death Benefit. This person may be a surviving Policyholder, or the personal representative acting on behalf of the estate of the deceased Policyholder, or the person nominated by the Policyholder to receive the Death Benefit.

Collective Investment Scheme

Any arrangement or arrangements with respect to property of any description, including money, the purpose or effect of which is to enable persons taking part in the arrangements (whether by becoming owners of the property or any part of it or otherwise) to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income.

Contract Date

The date the contract for your Policy started. We confirm the Contract Date to you in our acceptance letter which will be sent to you.

Dealing Desk

Investment dealing services provided by us for Assets held with our Default Custodian, or the appropriate department of the Authorised Custodian (or a separate legal entity) with which we have entered into a contract to provide investment dealing services on our behalf for Assets held with the Authorised Custodian.

Death Benefit

The amount we will pay when the Relevant Life Assured dies as long as the Policy has not been totally surrendered or lapsed with no value.

Deduction Date

The date we deduct Portfolio Fund Charges from the Transaction Account held with us. This will be on the last Working Day of the second month following each Quarterly Date.

Default Custodian

The professional banker or other organisation, which is authorised by its regulator to provide custodian and depository services, that we normally use to hold our Assets.

Discretionary Asset Manager

A person or firm appointed by us to provide investment services in respect of our Assets linked to your Policy and following your request for us to appoint them. Discretionary Asset Manager is sometimes known in other documents as the 'Discretionary Investment Manager.'

External Fund

Close-ended Collective Investment Schemes such as investment trusts; open-ended Collective Investment Schemes registered or authorised under the laws of their country of domicile; any other open-ended Collective Investment Scheme acceptable to us wherever domiciled.

Financial Adviser Representative

The person or firm that acts on your behalf when you are considering whether to apply for your Policy, during the process of applying for your Policy and while you own your Policy.

Investment Mandate

Details of the aims, objectives and risk tolerance as well as the anticipated time horizon for the Assets of the Portfolio Fund. This will help the Discretionary Asset Manager provide a suitable long-term investment strategy for these Assets.

Investment Adviser Representative

A person or firm that provides investment advice to you, or is able to act on your behalf under a discretionary mandate; and gives investment instructions to us and satisfies the requirements of Term 9.1.2. Where Investment Adviser Representative is referred to elsewhere in the Terms it is only applicable if an Investment Adviser Representative has been appointed by you.

Investment Adviser Representative Fee

The amount you agree to pay to your Investment Adviser Representative on a regular basis in return for ongoing investment services in respect of your Policy. This is payable under a legal agreement between you and the Investment Adviser Representative.

Lead Custodian

Where you request us to appoint more than one Authorised Custodian, you also need to select a Lead Custodian in the application form or appointment form who we will instruct to pay for Portfolio Fund Charges debited to the Transaction Account held with us. Where some of the Assets are held by the Default Custodian, the Default Custodian will sell those Assets to pay for Portfolio Fund Charges.

Lead Policyholder

An individual who is authorised to carry out certain Policy Transactions on behalf of all Policyholders or if the Policyholder is a corporate entity, on behalf of that corporate entity or if the Policyholders are trustees, on behalf of all the trustees. This may be through the Online Service or other method of communication which is acceptable to us. Communications will be sent to the Lead Policyholder.

Life Assured

The person or people named in the Schedule.

Market Timing

A dealing or fund switching strategy with the intention of anticipating short-term changes in the market price of units or shares. This also includes situations where the Policyholder or Investment Adviser Representative seeks to exploit a fund whose price does not take account of the most recently available data, and where the Policyholder or Investment Adviser Representative makes use of a short-term trading strategy to take advantage of anticipated future market movements.

Nominated Asset

An Asset or number of Assets which is nominated to be sold for the purpose of providing payment of part surrender benefits including Regular Withdrawals. This does not apply where you have chosen to use the Authorised Custodian account facility.

Notification Date

The Working Day following the Working Day of receipt of written communication at our Branch Office of the death of the Relevant Life Assured.

Online Service or Online Service Account

Online Service or Online Service Account means the secure Online Service also known as Wealth Interactive. The Online Services are provided to you through the internet. You may view, access and manage your Policy together with additional functionality we may make available to you from time to time. Sometimes we may allow you to view your Policy and also have the ability to carry out certain Policy Transaction. The ability to manage your Policy through the Online Service may be limited.

Online Service Agreement

The document which sets out the legal basis of your agreement for access and use of the Online Services. This document is currently titled 'Wealth Interactive Policyholder Online Service Terms.'

Policy

The Policy issued to you following our acceptance of your application for your Silk Life Plan.

If you asked for more than one Policy in your application for your Silk Life Plan, then we will instead issue a series of Policies called a 'Cluster of Policies'.

Policy Anniversary

Any anniversary of the Contract Date.

Policy Currency

The currency shown in the Schedule in which valuations, as explained in Term 17.4 and Term 17.5, are reported, and the currency used when benefits are paid.

Policy Transactions

After the Contract Date for your Policy, a notice, instruction or other request we will allow you to send us. These include but are not limited to submitting Asset deal instructions and changing Policy details including bank details.

Policy Value

The value of Allocated Units at the Selling Price less any outstanding charges except the Early Surrender Charge.

Portfolio Fund

A separate identifiable account kept by us for calculating benefits and Portfolio Fund Charges under your Policy.

Portfolio Fund Charges

The various charges for managing the Portfolio Fund and a Policy as explained in Term 22 and the Charges Schedule.

Premium

Any lump sum payment you agree to pay to your Policy and we accept.

Premium Acceptance Date

This will be the Date the Premium is credited to the Transaction Account

Professional Investor

A Professional Investor is a person or entity that possess the required expertise, experience and knowledge to adequately understand the features and risks associated with this product, the underlying investment options available (including Assets which are not designed for or suitable for Retail Investors) and services being offered. Generally, a Professional Investor would be an entity or natural person that would fall under one or more of the following definitions:

- › National and regional governments, public bodies that manage public debt, central banks, international and supranational institutions such as the World Bank and the International Monetary Fund.
- › An entity authorised, licensed and regulated to operate in the financial markets and whose main activity is investing in financial instruments.
- › A corporation as defined as Accredited Investor in the Securities and Futures Act 2001 in Singapore.
- › A natural person whose level of financial sophistication is consistent with Accredited Investor status regulations that may apply in the market where the business is conducted.

Quarterly Date

The last Working Day of March, June, September and December being the normal quarterly Valuation Dates for the Portfolio Fund.

Quarterly Valuations

The valuation statement we provide to you within a reasonable period following each Quarterly Date.

Regular Withdrawals

Part surrenders that you request for a fixed monetary amount or a percentage of the Premiums paid, which are payable to you at regular intervals until the Policy is terminated.

Regular Withdrawal Due Date

The date you request, in your instruction to us, that we pay your first Regular Withdrawal and then on the same day each month, quarter, six months or year, depending on the Regular Withdrawal frequency you have chosen and available at that time. Where a Regular Withdrawal Due Date is not a Working Day, it will be the next Working Day following the Regular Withdrawal Due Date.

Regular Withdrawals for Ongoing Fees

Part surrenders you request us to pay to your Investment Adviser Representative which are payable quarterly.

Relevant Life Assured

Where there is a single Life Assured named in the Schedule; that Life Assured. Where there are two Lives Assured named in the Schedule and your Schedule states:

- › Joint Life First Death basis; then the first of the Lives Assured to die; or
- › Joint Life Last Death basis; then the last of the Lives Assured to die.

Retail Investor

An investor who does not meet our definition of Professional Investor.

Schedule

The Schedule issued by us for your Policy. It shows the Policy number and the personal details about your Policy. For our administrative convenience we may issue one Schedule for a Cluster of Policies showing all of the Policy numbers.

Sum Assured

The amount which may be payable as explained in Term 5 following the death of the Relevant Life Assured. The Sum Assured is stated on your Schedule.

Sum at Risk

For Life Cover Only Policies, this is the difference between the Sum Assured and the Policy Value. For Life Cover Plus Policies, this is the Sum Assured. The Sum at Risk is used in the calculation of the Life Cover Charge in Term 22.11.

Surrender Value

The value of the Allocated Units at the Selling Price less any outstanding charges including any outstanding Portfolio Fund Charges, including the early surrender charge, and Third-Party Agent Charges and other charges. Surrender Value is sometimes also known in other documents as the 'encashment value'.

Terminal Illness

A definite diagnosis by an attending consultant, who is appropriately qualified to diagnose a Terminal Illness, of an illness that satisfies both of the following:

- › The illness either has no known cure or has progressed to the point where it cannot be cured.
- › In the opinion of the attending consultant, the illness is expected to lead to death within twelve months.

Third-Party Agent Charges

Charges for providing services to the Portfolio Fund by third parties. Where Acceptable Assets are selected, these may include charges relating to (by way of illustration) custody or stock broker services. Where Bespoke Assets are selected, these may include charges relating to (by way of illustration) due diligence, professional valuation and specialist advice relating to the purchase, holding and disposal of the Asset. These examples are illustrative and not exhaustive.

Transaction Accounts

Accounts kept by us to simplify buying and selling of Assets for your Portfolio Fund. They are also used for payment of benefits and Portfolio Fund Charges, including the Life Cover Charge, and Third-Party Agent Charges.

Valuation Date

A Working Day on which we value the Assets of the Portfolio Fund to calculate the price of notional Units. The '**Final Valuation Date**' is the date that we calculate the final value of the Policy, for example, when the Death Benefit is payable or when you surrender (cash in) one or more of your Policies. Portfolio Fund Charges and Other Charges will be deducted on the Final Valuation Date, for example when you fully surrender your Policy. Portfolio Fund Charges will apply until the official notification of death is received whilst Third-Party Agent Charges and Other Charges Direct and Indirect Expenses, Taxes and Associated Currency Transactions will apply until the Death Benefit is paid.

Valuation Period

The period up to the relevant Valuation Date since the Contract Date or the last Valuation Date.

Working Day

This is a day on which we are open for business at our Branch Office.

- 2.4 If the meaning of a word is explained in the singular in Term 2.3 (or elsewhere in the Terms in bold type) then it includes the plural of that word and the converse and the masculine or the feminine gender includes all genders.

3. WHAT ARE YOUR COMMITMENTS AND WHEN DOES THE CONTRACT START?

- 3.1 You agree to pay us a Premium, subject to our minimum Premium stipulations in Term 42, in return for the benefits provided under the Policy.

- 3.2 The Policy provides for payment of a Death Benefit as detailed in Term 5.1.

- 3.3 It is your responsibility to ensure that:

3.3.1 your application, confidential medical questionnaire, financial questionnaire and any supplementary medical information or examination requested from you, are completed fully, truthfully and accurately;

3.3.2 all material facts are disclosed, this includes any subsequent change, these are facts that could influence our acceptance to issue this Policy or the terms to be applied. If you are in doubt about whether a fact is material you should disclose it. You should not rely on medical professionals to supply any material fact.

3.3.3 If, before the Contract Date, there are any changes to the information in your application or any other information requested from you, then you must notify us of these changes immediately in writing. This includes any subsequent change in the health or insurability of the Life Assured between signing the application and the Contract Date.

- 3.3.4 Failure to comply with your responsibilities in Terms 3.3.1, 3.3.2 and 3.3.3 could result in the Policy being terminated, a claim refused for the Death Benefit or Terminal Illness benefit, or the Sum Assured reduced. However, unless there is fraud, we will not contest the validity of the Policy if it has been in force for at least two years from the Contract Date. For avoidance of doubt, the 2 year incontestability period is computed as follows:

- a. where there are no changes to the Policy, the 2 year period which starts from the Contract Date;
- b. where there is an increase to the Sum Assured as described in Term 6, the 2 year period for the increased portion of the Sum Assured started from the date of acceptance by us of the increased Sum Assured;
- c. where there is a new life assured described in Term 27, the 2 year period for that new life assured starts from the date of acceptance by us of the new life assured;
- d. where a claim is made, the date of occurrence of the claim event (and not the date on which the claim is made) will be the relevant date in computing if the claim falls within the 2 year incontestability period.

- 3.3.5 Where the Policy is terminated, we will pay the lesser of:

- a. the Surrender Value or
- b. a refund of the Premiums.

- 3.4 Misstatement of age, sex, smoker status or country of residence

- 3.4.1 If any Life Assured's date of birth, sex or smoker status as shown in the Schedule, or country of residence is incorrect, the Life Cover Charge will be adjusted to that which would have applied if the correct date of birth, sex, smoker status, or country of residence had been given.

- a. The Life Cover Charge will be adjusted from:
- i. the Contract Date
 - ii. the date we accepted a change of Life Assured, as explained in Term 27 in the event of a Death Benefit or Terminal Illness benefit claim.

- 3.5 Once we have received a confidential medical questionnaire and financial questionnaire for each Life Assured, any supplementary medical reports, and any additional information our underwriters reasonably require; our underwriters will review this information to determine the terms we may be prepared to issue a contract on.
- 3.6 You will be provided a confirmation of charging structure and a terms of acceptance which confirms the terms which we would be willing to offer a contract on.
- 3.7 If you agree to accept the terms set out in the confirmation of charging structure; then you will need to sign and return the confirmation of charging structure with the terms of acceptance, your application, payment of the Premium and provide any other information we reasonably require (for example, verification of identity) within any time limit stipulated, informing us of any changes before the Contract Date in accordance with Term 3.3.3.
 - 3.7.1 Where we have not been informed of any changes then the contract will start in accordance with Term 3.8. Where we are advised of changes then we may no longer be prepared to offer a contract on the same terms or at all and do not need to tell you why.
- 3.8 The contract will start within five Working Days of the date we receive your application, Premium and any further information we require to consider your application.
- 3.9 If we receive your acceptance as detailed in Term 3.7 and the contract starts on the Working Day described in Term 3.8 then we will communicate our acceptance to you by sending our acceptance letter by post.
- 3.10 We will then credit the Premium to the Transaction Account and advise you in writing of the Contract Date. The Policy will have no value and will not pay any benefit until the Contract Date.
 - 3.10.1 If you have chosen a Policy Currency which is different to the currency in which your Premium is paid you should be aware that we will not convert your Premium. A notional currency conversion to your Policy Currency will be applied which is purely for your valuation purposes. You could be exposed to exchange rate fluctuations at a later date when your Premium is converted to another currency. All notional conversions will be at the mid-market rate on the Working Day before the Working Day that we become aware that the Premium is credited to our bank account.
- 3.11 You may offer to pay additional Premiums
 - 3.11.1 We may agree to accept your offer providing the additional Premium is equal to or more than our minimum published Premium level for a Policy or Cluster of Policies, as stipulated in Term 42.
 - 3.11.2 If we accept your application and we know your additional Premium has been credited to our bank account then we will communicate our acceptance to you by post.
 - 3.11.3 If we accept your Premium, then we will credit your additional Premium to the Transaction Account.
 - 3.11.4 Our acceptance of your offer in Term 3.11 will not have any effect on the Sum Assured on the Policy.

3.12 Premium payment by Asset transfer or cash transfer

- 3.12.1 We may agree to payment of all or part of your Premium (or additional Premium) by a transfer into our ownership of units or shares in an Asset which is held by you or which is held by your Authorised Custodian. We may also agree to payment of all or part of your Premium (or additional Premium) by a transfer of cash held with an Authorised Custodian into our ownership.
- 3.12.2 The Premium will (subject to this Term 3.12) be the value received by us. We will then deduct all direct and indirect expenses and taxes of the transaction. Any tax or duty due on your Premium will also be deducted which may include stamp duty or equivalent tax levied on the transferee of the Asset as a result of the transfer.
- 3.12.3 If the transfer to us of the legal ownership of all the units or shares does not take place at the same time, the contract will not start until the full amount of the expected Premium has been received.
- 3.12.4 We will treat the net value of any later transfer of ownership as an additional Premium and any tax/duty or charges due on your additional Premium will also be deducted.
- 3.12.5 The net value of the units or shares transferred into our ownership must be at least equal to our minimum Premium before the contract can start and at least equal to our minimum additional Premium when adding to the Policy after the Contract Date.
- 3.12.6 We will not credit any interest to the value of the Assets held with us until we have started the contract.
- 3.12.7 When the Assets being transferred to us are already held by a third party custodian, the Premium will not be paid and the contract cannot start until we receive at our Branch Office information to our satisfaction (including information from an Authorised Custodian) that all necessary steps have been carried out to transfer the legal ownership to us of all the Assets making up the Premium and these Assets have been registered in our name.
- 3.12.8 The contract will start (or the additional Premium will be accepted) within five Working Days that we receive at our Office information to our satisfaction (including information from an Authorised Custodian) that all necessary steps have been carried out to transfer the legal ownership to us.

4. CAN YOU CHANGE YOUR MIND AND CANCEL THE CONTRACT?

- 4.1 You have a 'free look' period during which you may change your mind and cancel the contract within 30 days of the date you receive our letter or email confirming the date your Policy started.
- 4.2 If you wish to cancel the contract then you must advise us in writing at our Branch Office or by cancelling the contract through the Online Service. We would expect you to receive our letter within standard postal delivery timescales (which would generally be within seven days of the date the letter is dispatched).
- 4.3 As you bear the investment risk of the Policy it is possible that the amount you will receive will be less than the Premium you paid. This will be the case if the value of the Assets fall between the Contract Date and the date the notification of your cancellation is received by us. Non-refundable investment charges and bank charges will also be deducted from the Premium you paid which could also result in you receiving less than the Premium you paid.
- 4.4 Any part of the Premium paid by a transfer of Assets to us will be repaid by return to you of units or shares in the Asset if requested by you or required by us. In that case, any direct and indirect expenses, taxes and any associated currency transactions incurred by us in relation to the transfer to us or back to you will be deducted if necessary by the sale of units or shares in the Asset.
- 4.5 If at any time after the Contract Date you agree to pay an additional Premium, then you may change your mind and cancel your additional Premium within 30 days of the date that you receive an email to confirm that the letter accepting your additional Premium is available for you to download from your Online Service Account or you receive the letter accepting the additional Premium by post or an email. We would expect you to receive our letter within standard postal delivery timescales (which would generally be within seven days of the date the letter is dispatched).
- 4.6 If you wish to cancel the additional Premium then you must advise us in writing at our Branch Office or by cancelling the additional Premium through the Online Service.
- 4.7 The amount of the additional Premium refunded will be less a deduction of the amount (if any) by which the value of Assets for the additional Premium has fallen between the time the additional Premium was paid and the date your notification of your cancellation of your additional Premium is received by us. Non-refundable Asset charges and bank charges will also be deducted from the additional Premium you paid which could result in you receiving less than the additional Premium you paid.
- 4.8 The provisions of Term 4.4 above will apply to such additional Premium amount.

PART B – GENERAL CONDITIONS WHICH APPLY TO THE SILK LIFE PLAN

5. WHAT BENEFITS WILL BE PAYABLE WHEN THE RELEVANT LIFE ASSURED DIES OR IS DIAGNOSED WITH A TERMINAL ILLNESS?

5.1 Death Benefit

5.1.1 When the Relevant Life Assured dies, a Death Benefit will become payable as long as you have not totally surrendered the Policy or the Policy has not lapsed with no value.

5.1.2 You or your Financial Adviser Representative may inform us of the death of a Life Assured. Official notification of death, such as a death certificate or coroner's report should be sent through the post, by fax or electronic communication acceptable to us, to us at our Branch Office.

5.1.3 Where the official notification of death is in relation to the Relevant Life Assured, we will give instructions to sell the Assets two Working Days after we have accepted the death claim and agreed to pay the Death Benefit, unless you request when you provide the official notification of death, a transfer of the ownership of the Assets to you, and we agree to this request. If necessary, the Assets sold will be used to clear any debit balance in the Transaction Account (including any outstanding Portfolio Fund Charges).

5.1.4 The value of the Death Benefit is dependent on which option you chose in your application form and will be confirmed in the Schedule. You are not able to change the Death Benefit option you have chosen once we have accepted your application.

a. If you choose the Life Cover Only Option in your application form, the value of the Death Benefit will be the higher of:

- i. the Sum Assured stated in the Schedule; or
- ii. the Policy Value.

b. If you choose the Life Cover Plus Option in your application form; the value of the Death Benefit will be:

- i. the Sum Assured stated in the Schedule; plus
- ii. the Policy Value.

5.1.5 For clarity any outstanding charges except the Early Surrender Charge will be deducted from the value of the Allocated Units for an electronic transfer (such as telegraphic transfers) to pay for the Death Benefit.

5.2 Proof of death and title

5.2.1 We will pay the Death Benefit following receipt of such information as we reasonably require including proof of the title of the Policyholder to the Policy and of the cause of death of the Relevant Life Assured. These requirements may also include return of the Schedule and such medical evidence as we may reasonably require concerning the cause of death.

5.2.2 The Claimant must pay any expenses incurred in providing us with the proof needed by Term 5.2.1, including any fees for notaries, translating documents or other fees, including costs related to the value or transfer to the Claimant of an Asset.

5.2.3 Term 5.2.3 only applies where you have chosen the Life Cover Only Option in your application form.

a. Where the Death Benefit is the Sum Assured or the Policy Value, the Sum Assured or the Policy Value will be paid once the conditions of Terms 5.2.1 and 5.2.2 have been satisfied. However, as the provisions of Terms 5.4 and 5.5 may apply, then this could result in the payment of the Sum Assured or Policy Value, which could be paid as a cash amount, by transferring Assets to the Claimant or a combination of both, being made at a later date.

5.2.4 Term 5.2.4 only applies where you have chosen the Life Cover Plus Option in your application form.

a. Where the Death Benefit is the Sum Assured and the Policy Value, the Sum Assured may be paid before the Policy Value as the payment of the Sum Assured will be paid once the conditions of Terms 5.2.1 and 5.2.2 have been satisfied. However, as the provisions of Terms 5.4 and 5.5 may also apply to the Policy Value, then this could result in the payment of the Policy Value being made at a later date.

5.2.5 We will pay interest on the Death Benefit, as described in Terms 5.2.3 and 5.2.4, in line with the Life Insurance Association of Singapore set interest rates, for the number of days between the Notification Date and the Working Day on which we agree to make payment. We will make payment within three Working Days after we are advised that the proceeds from selling the last Asset has been credited to our bank account.

5.3 Sum Assured

5.3.1 The Sum Assured will be that applicable at the date of the death of the Relevant Life Assured, irrespective of any subsequent changes made before the Notification Date.

5.4 Policy Value

5.4.1 We will give instructions to sell the Assets as described in 5.1.3.

Such Assets will be calculated on the Final Valuation Date that the last of the Assets have been realised and credited to the Transaction Account and we will cancel the Allocated Units. However, where the provisions of Term 5.5 apply to all or some of these Assets then calculation of the Policy Value will be deferred in accordance with the provisions of that term.

5.5 What happens if Assets cannot be sold?

5.5.1 It may not be possible to sell or dispose of Assets because of a situation such as referred to in Term 19 happening or because an Asset is valued less often than daily as explained in Term 13.3. In that case the Sum Assured or the Policy Value may be payable in one or more instalments.

a. The first instalment will be for the value of the Assets which can be sold as though they were the only Assets; and

b. a further instalment or instalments will be made when the remaining Assets have been sold.

c. In such circumstances, if it is not possible to sell any of the Assets, then payment of the Sum Assured or the Policy Value will be deferred until we are able to pay either the whole of the Sum Assured or the Policy Value or the first instalment as described in Term 5.4.1 above or Term 5.6 applies.

5.6 Payment of the Death Benefit by transferring Assets

5.6.1 If we decide to pay the Death Benefit by transferring Assets for any reason, including where Term 5.5 applies, then payment of all or part of the Death Benefit will be satisfied by transfer of ownership of Assets linked to the Policy to the Claimant of the Death Benefit. If this Term applies, we will also agree a value of those Assets, taking into account any associated costs of the transfer and any outstanding Portfolio Fund Charges.

5.6.2 The Claimant can ask us to consider paying all or part of the Death Benefit by such transfer of ownership. As owner of the Asset, whether we agree to pay all or part of the Death Benefit by such transfer of ownership is a matter entirely at our discretion and we are not required to provide the Claimant with any reason for our decision. The Claimant can also ask us to consider relinquishing your rights to the value of the Assets linked to the Policy.

5.6.3 If necessary, we will sell Assets to pay for the costs of transferring the ownership of the Assets and outstanding Portfolio Fund Charges, for example paying for the Administration Charge.

5.7 On payment of the Death Benefit no further benefit will be payable under the Policy. As an example, dividends received on our Assets after the Death Benefit has been paid will be kept by us regardless of which payment period the dividends relate to.

5.8 Suicide

5.8.1 If the Relevant Life Assured commits suicide, assisted or otherwise, within 12 months of the Contract Date then we will not pay the Sum Assured and will instead restrict the Death Benefit to the Policy Value of the Assets.

5.8.2 Where Term 5.8.1 does not apply and the Relevant Life Assured commits suicide, assisted or otherwise, within 12 months of any increase in the Sum Assured, we will restrict the amount of the Sum Assured that would have been payable before the increase in the Sum Assured when calculating the Death Benefit.

5.9 Terminal Illness

5.9.1 If the Relevant Life Assured is diagnosed with a Terminal Illness, we will pay the lower of:

- a. 25% of the Sum Assured; or
- b. US\$500,000, or currency equivalent; or
- c. the difference between the Sum Assured and the Policy Value where the Sum Assured exceeds the Policy Value; or zero where the Sum Assured is equal to or less than the Policy Value and your Schedule states Life Cover Only Option.

5.9.2 We will pay the Terminal Illness benefit following receipt of our reasonable requirements including proof from a registered medical practitioner of the diagnosis of the Relevant Life Assured's Terminal Illness. These requirements may also include return of the Schedule and such medical evidence as we may reasonably require concerning the Terminal Illness.

5.9.3 Any expenses incurred in providing us with the proofs needed by Term 5.9.2, including any translating documents or other fees, are payable by the Policyholder.

5.9.4 On payment of the Terminal Illness benefit, the Sum Assured will be reduced by the amount we have paid and no further Terminal Illness benefit will be paid.

5.9.5 Following the payment of the Terminal Illness benefit you will no longer be able to:

- a. increase the Sum Assured, as explained in Term 6; or
- b. change the Life Assured, as explained in Term 27.

5.9.6 On death of the Relevant Life Assured, the Death Benefit as described in Term 5.1 will become payable.

6. WHAT VARIATIONS ARE PERMITTED TO THE SUM ASSURED?

- 6.1 You may request to increase or reduce the Sum Assured at any time, subject to our minimum and maximum Sum Assured amount available at the time and our acceptance.
- 6.2 We will normally respond to your request to increase or reduce your Sum Assured within at least ten Working Days of receiving all the information we require from you to consider your request, which may include further medical or non-medical evidence and the payment of an additional Premium if your request is to increase the Sum Assured.
- 6.3 If we accept your request, the increase or reduction in the Sum Assured will then be adjusted on the Quarterly Date following our acceptance. The charges will also be adjusted on the Quarterly Date following our acceptance. For clarity, if the Relevant Life Assured dies before the Quarterly Date following our acceptance, the Sum Assured payable will be the amount of the Sum Assured before the request was made.
- 6.4 If we decide not to accept your request to increase or reduce the Sum Assured then we will advise you of that fact and we do not need to tell you why.

7. WHEN WILL THE SUM ASSURED BE REVIEWED?

- 7.1 The purpose of each review is to estimate whether the Portfolio Fund value will be sufficient to pay the Portfolio Fund Charges in Term 22, any Discretionary Asset Manager Charge in Term 23.2, any Regular Withdrawals in Term 20.4 and any Investment Adviser Representative Fees in Term 20.5, and maintain the Sum Assured throughout the life of the Relevant Life Assured.
- 7.2 Our Actuary will carry out a review either:
 - 7.2.1 two months before the Policy Anniversary each year; or
 - 7.2.2 when an increase to the Sum Assured is requested; or
 - 7.2.3 when a part surrender request is received; or
 - 7.2.4 when a written request for Regular Withdrawals is received, including any request for Regular Withdrawals for Ongoing Fees.

- 7.3 We reserve the right to change the date that we will carry out the review.

- 7.4 We will confirm the result of the review to you in writing and confirm to you how long the assumed growth rates of the Assets of the Portfolio Fund will support the Life Cover charges and maintain the Sum Assured for.

- 7.5 Any review that is carried out by our Actuary is no guarantee that the Policy will be able to pay for Life Cover Charges, this is purely for illustrative purposes. Therefore, you may need to request that additional Premiums are paid to the Policy to pay for the Sum Assured in the future as it will ultimately depend on the performance of the Assets chosen.

7.6 Lapsed Policies

- 7.6.1 To ensure that the Sum Assured is supported for the Life Assured's lifetime, the performance of the Assets chosen by you or your Investment Adviser Representative must be monitored.

- 7.6.2 If you do not meet your responsibilities in Term 7.6.1 and the Surrender Value falls to zero, including where Term 19 applies and has the effect of the Assets of the Policy being valued by our Actuary at zero, then the Policy will lapse without value.

- 7.6.3 In such circumstances the Death Benefit and Terminal Illness benefit will remain payable if the Relevant Life Assured dies, as explained in Term 5.1, or is diagnosed with a Terminal Illness, as explained in Term 5.9, up to and including 62 days from the date the Surrender Value falls to zero, this is known as a '**Grace Period**'.

- 7.6.4 The Portfolio Fund Charges, described in Term 22, will continue to be payable during this period and will accrue as a debit balance in the Transaction Account.

- a. If the Relevant Life Assured dies or is diagnosed with a Terminal Illness during this period and provided we accept the claim; all accrued and outstanding Portfolio Fund Charges, Third Party Agent and Other Charges will be deducted from the Death Benefit or Terminal Illness benefit.

- 7.6.5 You may offer us to pay an additional Premium, as described in Term 3.11, subject to you paying more than the published minimum Premium level at the time and to paying all outstanding Portfolio Fund Charges and a further 12 month's Portfolio Fund Charges in advance.

- 7.6.6 If after 62 days you have not paid an additional Premium in accordance with Term 7.6.5, your Policy will lapse without value and come to an end and no Sum Assured will be payable.

8. WHAT IS THE PORTFOLIO FUND AND UNITS, AND WHO OWNS THEM?

- 8.1 The Portfolio Fund contains one or more Assets chosen by you, your Investment Adviser Representative or the Discretionary Asset Manager. To enable us to calculate the benefits and charges under the Policy we create notional Units.

The Allocation Percentage is applied to the Premium on the Contract Date. A credit or debit is then made to the Transaction Account to reflect any increase or reduction in the Premium where the Allocation Percentage is more or less than 100%. This is known as the Allocation Amount. We use this Allocation Amount to buy Assets for the Portfolio Fund or to determine the amount to be transferred to the relevant Authorised Custodian where you have chosen to use the Authorised Custodian facility.

The Allocation Amount on the Contract Date is allocated to Units in the Portfolio Fund. These are known as Allocated Units. The Allocated Units are determined by dividing the Allocation Amount by a notional Unit price of one unit of Policy Currency.

For example, if the Policy Currency is Singapore dollars (SG\$), then the Allocation Amount would be divided by a notional Unit price of SG\$1. Each Unit represents a proportionate share of the value of the Assets. You legally own the Policy however you have no legal or beneficial interest in the Units or the Portfolio Fund or any underlying Assets which we continue to own.

- 8.1.1 We will decide whether to use any right which we have as a result of owning any particular Asset, for example voting rights.

- 8.2 The number of Allocated Units will increase if you pay another Premium, and will reduce if we cancel Units to pay benefits, certain Portfolio Fund Charges and encashments under your Policy. After we determine the Allocated Units on the Contract Date, we calculate the price of those Allocated Units on each Quarterly Date and the Final Valuation Date based on the value of the Assets within the Portfolio Fund after any Portfolio Fund Charges have been deducted. We use this price to determine how many Units to allocate to your Policy when you pay a further Premium and how many Allocated Units to cancel when we pay benefits, encashments and certain Portfolio Fund Charges. We have the right to calculate the price of such notional Allocated Units more often than quarterly.

9. APPOINTMENT OF AN INVESTMENT ADVISER REPRESENTATIVE OR DISCRETIONARY ASSET MANAGER

9.1 Appointment of an Investment Adviser Representative

- 9.1.1 If you wish to appoint an Investment Adviser Representative then terms of business will normally need to be agreed between you and the Investment Adviser Representative. Any fees for such service are personal to you and will not be deemed a Portfolio Fund Charge.

- a. You may request payment of such fees by part surrender from your Policy including by taking Investment Adviser Representative Fees as described in Term 20.5. If you have granted the Investment Adviser Representative a discretionary mandate then it is on the express understanding that you retain full responsibility for the acts or omissions of the Investment Adviser Representative.

- b. Where you wish to appoint an Investment Adviser Representative you will inform us of the appointment of your Investment Adviser Representative by completing the appropriate form and submitting it to us to inform us of the appointment.

- 9.1.2 We may require the Investment Adviser Representative to confirm they are regulated by any appropriate regulatory authority and have any qualifications required by law or regulation for the activity to be carried out. If we require such confirmation, it is to enable us to comply with our regulatory duties as an authorised insurer in Singapore and the Isle of Man. It is not and should not be construed as any endorsement of an Investment Adviser Representative by us, and we do not warrant your Investment Adviser Representative's suitability or regulatory credentials. You may need to complete documentation which delegates your powers to the Investment Adviser Representative.

9.1.3 If you inform us in writing that you wish to terminate the appointment of an Investment Adviser Representative or we cease to act on the instructions of the Investment Adviser Representative as described in Term 9.3 below, we will stop any Investment Adviser Representative Fees we are making to the Investment Adviser Representative.

- a. Where the termination date does not coincide with a fee payment date then, where the Investment Adviser Representative Fee is a fixed percentage, we will make a final proportional payment for the period from the last payment date up to the termination date on the next fee payment date. If the Investment Adviser Representative Fee is a fixed monetary amount then, where the termination date does not coincide with a fixed payment date, we will take one final payment for the full amount at the next fee payment date.

9.2 Appointment of a Discretionary Asset Manager

9.2.1 You may request us to appoint one of the Discretionary Asset Managers, that we have legal agreements with in relation to the Silk Life Plan, by completing the appropriate appointment form available from us. The Discretionary Asset Manager will act on a discretionary basis. The Investment Mandate with the Discretionary Asset Manager, in respect of the Policy, must also be sent to us at our Branch Office.

9.2.2 The Investment Mandate we submit to the Discretionary Asset Manager will take into account the investment objectives and risk profile you have stated to us in the Investment Mandate in respect of our Assets linked to the relevant Portfolio Fund for your Policy.

9.2.3 We will confirm the Discretionary Asset Manager's appointment to you or our declination of your request to you.

9.2.4 We will take a Policy charge which will reflect the fees we pay to the Discretionary Asset Manager for the service they provide for us as explained in Term 23.2.

9.2.5 If you have chosen to use the Authorised Custodian facility as explained in Term 10, then you may request us to appoint a different Discretionary Asset Manager for each Dealing Desk. Alternatively, you could request us to appoint only one Discretionary Asset Manager for all Dealing Desks.

9.3 Instructions from the Investment Adviser Representative or Discretionary Asset Manager to the Dealing Desk

9.3.1 The Dealing Desk will act on the instructions of an Investment Adviser Representative, or Discretionary Asset Manager once appointed, until we are advised by you that you wish to terminate the appointment of the Investment Adviser Representative or we terminate the appointment of the Discretionary Asset Manager for your Policy. Termination will not affect any transactions already carried out or for which binding instructions have been given directly or indirectly. We will inform you of such termination. We will also inform the Investment Adviser Representative or Discretionary Asset Manager of the termination. You can then request to submit instructions to the Dealing Desk where the Assets are held by an Authorised Custodian or submit instructions to the Dealing Desk where the Assets are held by the Default Custodian or request that a Investment Adviser Representative or Discretionary Asset Manager is replaced in accordance with Term 9.4.

9.3.2 Any fees relating to the service provided by the Investment Adviser Representative or Discretionary Asset Manager will stop from the termination date. Where the termination date does not coincide with a fee payment date, then where the Investment Adviser Representative Fee is a fixed percentage, we will make a final prorated payment for the period from the last payment date up to the termination date on the next payment date. If the Investment Adviser Representative Fee is a fixed monetary amount, then where the termination date does not coincide with a fixed payment date, we will take one final payment for the full amount at the next fee payment date. For Discretionary Asset Managers, this final payment by us will be reflected as a final Discretionary Asset Manager Charge on your next Quarterly Valuation.

9.4 Replacement of an Investment Adviser Representative or Discretionary Asset Manager by you

You may request us to appoint a replacement Discretionary Asset Manager. Alternatively you may request appointment of a replacement Investment Adviser Representative by completing the appropriate form and sending it to us at our Branch Office. If we agree to this request, then replacement of the Discretionary Asset Manager or Investment Adviser Representative will not affect any transactions already carried out or for which binding instructions have already been made. We will confirm the appointment to you.

9.5 Removal of an Investment Adviser Representative or Discretionary Asset Manager by us

We reserve the right to cease to act on the instructions of the Investment Adviser Representative or to terminate our agreement with the Discretionary Asset Manager with immediate effect. As examples, the reasons for terminating the agreement or ceasing to act on instructions may include if we become aware that a Discretionary Asset Manager or Investment Adviser Representative:

- a. has been refused membership by, or has been expelled from, a professional organisation; or
- b. is under investigation by, or has been the subject of disciplinary action by, a regulatory authority; or
- c. has carried out or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
- d. ceases to hold the necessary authorisation due to change of law or regulation.

These examples are illustrative and not exhaustive. We will confirm the termination of our appointment with the Discretionary Asset Manager or that we are ceasing to accept instructions from the Investment Adviser Representative to you.

9.6 Amendment to the Investment Mandate

9.6.1 You may inform us in writing at our Branch Office of any change to your Investment Mandate. If the changes are acceptable to us, we will

9.6.2 inform the Discretionary Asset Manager at the earliest opportunity.

9.7 In the event of the death of all Policyholders or assignment of the Policy, any appointment of a Investment Adviser Representative or Discretionary Asset Manager will automatically terminate.

10. AUTHORISED CUSTODIAN ACCOUNT FACILITY

10.1 You may request us to consider the appointment of one or more Authorised Custodian and Dealing Desks instead of, or if only one Authorised Custodian as well as, our Default Custodian and Dealing Desk subject to our minimum published investment limit for transfers to Authorised Custodians.

10.2 If we agree to your request to appoint an Authorised Custodian and Dealing Desk, then you, the Investment Adviser Representative or the Discretionary Asset Manager will give Asset dealing instructions to the Dealing Desk. Any instructions sent to us that relate to Assets held by an Authorised Custodian will not be actioned. We will not forward the instruction to the Authorised Custodian.

10.2.1 Once appointed, the Authorised Custodian will then make all necessary arrangements for safe custody and release from custody of our Assets to carry out the transactions.

10.3 The Dealing Desk and Authorised Custodian must be acceptable to us and be suitable for Singapore and Isle of Man regulatory purposes. The Assets must be held in such a way that they are protected from any creditors of ours and cannot be used for any purpose other than to:

10.3.1 buy other Assets for the Portfolio Fund; or

10.3.2 enable us to pay or to authorise the payment of Portfolio Fund Charges, including the Life Cover Charge, and the costs of custodianship and other charges and expenses of the Portfolio Fund; or

10.3.3 enable us to pay benefits including Regular Withdrawals, part surrenders and Regular Withdrawals for ongoing fees when instructed by us.

10.4 We may require the Dealing Desk to take responsibility for ensuring that the Portfolio Fund does not invest in Assets of types we advise are not permitted nor become used for non-permitted purposes.

10.5 The Authorised Custodian's normal custody charges will be debited from our account held at the Authorised Custodian and they will be reflected in your Quarterly Valuation statement.

- 10.6 After the Contract Date, you may request in writing to us at our Branch Office that an Authorised Custodian is appointed, replaced or removed. This is subject to any restrictions referred to in Term 10.3.
- 10.7 If we become aware that the Authorised Custodian or Dealing Desk:
- 10.7.1 is under investigation by, or has been the subject of disciplinary action by, a regulatory authority; or
 - 10.7.2 has had a licence revoked; or
 - 10.7.3 has carried out or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
 - 10.7.4 ceases to hold the necessary authorisation due to change of law or regulations; or
 - 10.7.5 has terminated their agreement with us; or
 - 10.7.6 ceases to hold Assets linked to your Policy which are greater in value than our minimum published limit for transfers to Authorised Custodians; or
 - 10.7.7 is no longer acceptable to us; then we will be entitled to terminate our appointment of the Authorised Custodian and Dealing Desk with immediate effect. In such circumstances we will transfer custody and Dealing Desk functionality to the Default Custodian. We will not make a charge for this transfer. We will advise you of this as soon as practically possible.
- 10.8 The fact that we may allow or refuse a particular Authorised Custodian and Dealing Desk does not indicate any judgement by us about its financial stability, services or suitability for you. We accept no responsibility for the acts or omissions of the Authorised Custodian and Dealing Desk even where we have selected the Authorised Custodian and Dealing Desk.
- 10.9 Assets may need to be sold or transferred to the Authorised Custodian before some Policy Transactions can be actioned. We will normally give instructions to sell Assets or to start the process of transferring Assets to or from the Authorised Custodian within five Working Days of receiving everything we require to appoint or remove an Authorised Custodian.
- 10.9.1 We will impose an Authorised Custodian Amendment Charge to cover our administrative costs on each transfer of Assets from us to an Authorised Custodian, and from an Authorised Custodian to us or between Authorised Custodians, where this occurs after the Contract Date. This charge is described in Term 22.8.
- 10.10 In the event of death of all the Policyholders then any delegation to an Authorised Custodian and Dealing Desk will terminate subject to completion of any outstanding transactions.
- 10.11 What happens if my Authorised Custodian becomes insolvent?
- 10.11.1 If we know the Authorised Custodian is insolvent we will normally inform you of this fact. You and your Financial Adviser Representative will need to investigate the implications of this on your Policy. It remains your responsibility to ensure that the Portfolio Fund Charges can be paid.
- 10.12 Where all Assets held become illiquid, and the unpaid Portfolio Fund Charges erode the value in the Portfolio Fund so that it falls below our published minimum Portfolio Fund value, stipulated in Term 42, then we may request you pay an additional Premium as described in Term 3.11.

11. WHAT TYPE OF ASSET CAN BE INCLUDED IN THE PORTFOLIO FUND?

11.1 A range of Assets can be included within the Portfolio Fund. All such Assets must have been accepted by us, which means that we have decided that we are prepared to acquire and hold them. We have an absolute discretion whether or not to accept an Asset. Any acceptance of an Asset by us is not an endorsement of that Asset by us, nor should it be construed as an endorsement by us.

11.2 Acceptable Assets

11.2.1 We maintain a list of Asset types which can be considered for the Silk Life Plan. This is known as the list of Acceptable Asset types. Once we have considered that an Asset of a type listed on the list of Acceptable Asset types is acceptable to us, the Asset is known as an Acceptable Asset. If an Asset is not an Acceptable Asset, it can still be agreed by us for inclusion within the Portfolio Fund as a Bespoke Asset in accordance with Term 11.3. The list of Acceptable Asset types is updated by us from time to time.

11.2.2 The fact that we have accepted an Asset as an Acceptable Asset or that an Asset type appears on the list of Acceptable Asset types does not mean we have endorsed that Asset or Asset type as being suitable or appropriate for any purpose or otherwise endorsed it. You, your Investment Adviser Representative or a Discretionary Asset Manager have sole responsibility for deciding whether an Acceptable Asset or Asset type is suitable and/or appropriate to your needs and circumstances.

11.2.3 If an Asset was an Acceptable Asset when it was acquired, but is then removed by us from the Portfolio Fund for any reason, that acquired Asset will cease to be an Acceptable Asset from the moment it is removed as described in Term 11.10.

11.2.4 You, your Investment Adviser Representative or a Discretionary Asset Manager may request that we include an Asset of a type listed on the Acceptable Asset types list within the Portfolio Fund. As to the Asset acceptance process:

- a. The carrying out of an Asset acceptance process (whether on request or otherwise) is solely for us to satisfy ourselves that the proposed Asset is acceptable for Singapore and Isle of Man regulatory purposes and for our own administrative requirements. The Asset acceptance process has no other purpose and does not amount to an endorsement of the Asset.
- b. Where a request is made for an Asset to become an Acceptable Asset, we will try and complete the Asset acceptance process within two Working Days of that request, although the process can sometimes take much longer. If the process is taking longer than two Working Days, we will endeavour to inform you, or your Investment Adviser Representative or the Discretionary Asset Manager of the anticipated timescale for its completion.
- c. If the Asset you have requested to become an Acceptable Asset is your first Asset choice then an amount equal to the relevant proportion of the Allocation Percentage will be retained in the Transaction Account held with us until completion of the Asset acceptance process.
- d. If you, your Investment Adviser Representative or a Discretionary Asset Manager, request a sale of an Asset to purchase another Asset which requires the Asset acceptance process, then we will carry out the sale at the next dealing time administratively available to us following receipt of your dealing instruction unless you advise us to the contrary. We will then hold any sale proceeds in the Transaction Account held with us until completion of the Asset acceptance process.
- e. If the Asset acceptance process identifies that the Asset is not acceptable to us then we will inform you, or your Investment Adviser Representative or a Discretionary Asset Manager of that and you, your Investment Adviser Representative or the Discretionary Asset Manager should then give us alternative instructions.

- f. Whether an Asset is or is not accepted as a result of an Asset acceptance process is a matter entirely at our discretion and we are not required to provide you, your Investment Adviser Representative or the Discretionary Asset Manager with any reasons for our decision.
- g. We accept no liability (except that arising from our fraud) for any economic or other loss occasioned or caused by our exercising our right to only accept Acceptable Assets and/or to undertake the Asset acceptance process.

11.3 Bespoke Assets

- 11.3.1 If an Asset is not an Acceptable Asset, it can still be agreed by us for inclusion within the Portfolio Fund as a Bespoke Asset.
- 11.3.2 Bespoke Assets do not appear on the list of Acceptable Asset types.
- 11.3.3 A Bespoke Asset must meet all conditions of applicable Singapore and Isle of Man regulations for linked life assurance Assets and for our own administrative requirements. We have an absolute discretion whether to accept an Asset as a Bespoke Asset.
- 11.3.4 The fact that we have agreed an Asset as a Bespoke Asset does not mean we have endorsed that Asset as being suitable or appropriate for any purpose. You, your investment Adviser Representative or a Discretionary Asset Manager have sole responsibility for deciding whether a Bespoke Asset is suitable and/or appropriate for your needs and circumstances.

11.3.5 A request for us to accept a Bespoke Asset can only be made using our Bespoke Asset Acceptance Procedure. As to that procedure:

- a. Our acceptance of a Bespoke Asset will be made on a case by case basis and is subject to our absolute discretion.
 - b. Our acceptance of a specific Asset as a Bespoke Asset will not set a precedent for the subsequent acceptance of similar or identical Assets.
 - c. We do not need to give any reason for either accepting or rejecting an Asset as a Bespoke Asset.
 - d. If you, your Investment Adviser Representative or Discretionary Asset Manager make a request that we accept an Asset as a Bespoke Asset, the process for us to determine such a request can be lengthy. We will endeavour to update you as to when we anticipate reaching our decision.
 - e. We accept no liability (except that arising from our fraud) for economic or other loss occasioned or caused by our exercising our right to refuse to accept an Asset and/or to undertake the Bespoke Asset Acceptance Procedure.
- 11.3.6 If we decide that we are willing to accept an Asset as a Bespoke Asset, such acceptance by us will be subject to whatever terms and conditions we, in our absolute discretion, decide.
- 11.3.7 The terms and conditions we propose will be set out to you in writing. Our acceptance of an Asset as a Bespoke Asset will not be offered on any other basis or understanding. As such, any terms and conditions not expressly set out in writing by us will have no effect.
- 11.3.8 You can decide whether to accept or reject the terms and conditions we propose in respect of any Asset we are willing to accept as a Bespoke Asset.
- 11.3.9 If you decide to accept the proposed terms and conditions, such acceptance will only be effective if it is communicated to us in writing and without any conditions.

11.3.10 If you accept the terms and conditions we have offered in respect of a proposed Bespoke Asset, those terms and conditions will take precedence over these terms where any conflict arises.

11.3.11 Except where express contrary provisions exist in the individually agreed terms and conditions relating to a specific Bespoke Asset, the following provisions apply to all Bespoke Assets:

- a. As owner of the Bespoke Asset, we may exercise any rights and powers, including those relating to liquidation of the Bespoke Asset, where appropriate with or without reference to you or anybody else and at our absolute discretion. For example, where the Bespoke Asset is private company shares, we may exercise shareholder rights and powers as we consider appropriate.
- b. We are not liable to you for any loss, damage or expense caused by or arising from or in connection with how we exercise our rights and powers as the owner of a Bespoke Asset.
- c. In addition, we may for whatever reason we deem appropriate, dissolve, wind-up or otherwise remove a Bespoke Asset from the Portfolio Fund. For example, we may choose to do this where we consider it to be uneconomic to hold a Bespoke Asset as part of the Portfolio Fund or where there is a change in regulation or law which would mean we are no longer able to hold such an Asset or where there is a risk of our holding limits being breached. These examples are illustrative and not exhaustive.

11.4 Acceptable Asset Types

11.4.1 Assets can take a range of forms. The following Terms 11.5 to 11.9 are specific Terms which relate to some of the different types of Assets which can be listed on the List of Acceptable Asset types.

11.5 Bank Deposits

11.5.1 Your Portfolio Fund may include a Bank Deposit provided the value is at least of the minimum we stipulate at the time.

11.5.2 Normally any such deposit will be in the Policy Currency.

11.5.3 At your request, we may grant you access to deposits from several banks or other deposit-taking institutions. If your request is for a deposit with a particular rate with an institution, you should be aware that, as interest rates are subject to frequent variation, we will place the deposit at the prevailing rate with that chosen institution. This may be lower or higher than the rate requested. We will not consider rates that may be available with other institutions. We offer any such accounts on the express understanding that we do not give investment advice and it is for you, your Investment Adviser Representative or a Discretionary Asset Manager to decide which if any are suitable to your circumstances.

11.5.4 Institutions may refuse a request or impose early withdrawal charges if money is withdrawn from an account before the expiry of a fixed term or without providing the required advance notice. If you request us to invest into these deposits then we will deduct any such charge imposed by the institution on withdrawal from your Portfolio Fund.

11.6 External Funds which are Acceptable Assets

11.6.1 Your Portfolio Fund may include Units or shares in an External Fund which is on the list of Acceptable Assets, provided that the value at outset of the Units or shares in any fund is at least of the minimum value we stipulate at the time, and/or that of the external institution, which may be higher.

11.6.2 Normally any dividends will be held in the Transaction Account held with us or to our credit in an interest bearing account by the nominee holder of the Asset.

11.7 Stocks and Shares which are Acceptable Assets

11.7.1 Your Portfolio Fund may include stocks and shares quoted on a principal stock market which is recognised by us and which are on the list of Acceptable Assets, provided any holding of a stock or share is at least of the minimum value we stipulate at the time, being:

- a. Government debt instruments;
- b. Corporate debt instruments;
- c. Equity and preference shares in a company (but excluding any company within our group of companies).

11.7.2 Normally any dividends will be held in the Transaction Account held with us or to our credit in an interest bearing account by the nominee holder of the Asset.

11.7.3 Your Portfolio Fund may not include stocks and shares of any company within our group of companies.

11.8 Transaction Account

11.8.1 The Transaction Account held with us that applies to your Policy will be in the Policy Currency. If you pay a Premium, or the Portfolio Fund includes Assets that are denominated in other currencies, we will also use Transaction Accounts held with us in those currencies for those transaction purposes only.

11.8.2 Any credit or debit balance of the Transaction Account that applies to your Policy is an Asset within your Portfolio Fund. The Transaction Account is legally and beneficially owned by us at all times. You accept this investment risk where there is a credit balance in the Transaction Account.

11.8.3 Any credit balances held in the Transaction Account held with us are invested in accordance with our treasury policy which is available on request. We review our treasury policy on a yearly basis and will amend it from time to time at our discretion. We reserve the right to change any of the financial institutions we use and will do so without notice. When any changes are made to our treasury policy, we will seek to update the same as soon as reasonably practicable after any material change. A summary of our current treasury policy as at 2 May 2023 is that credit balances in the Transaction Account are invested in accordance with 11.8.3 (a) to 11.8.3 (d) below:

- a. Credit balances are held with a range of financial institutions:
 - i. The main bank we use currently is National Westminster Bank (part of the RBS Group). We also use other UK and International banks with a FITCHIBCA rating (or a comparable rating by Moody's or Standard and Poor's) of A or higher.
 - ii. We also use AAA rated money market funds managed by financial institutions.
 - iii. The Default Custodian we currently use to hold our Assets (including credit balances in our Transaction Account) is BNY Mellon.
- b. Currently, a minimum of 75% of the total credit balance held in the pooled Transaction Account is held on instant access or short term deposits.
- c. Cash held within the Transaction Account is pooled and therefore a proportion of any credit balance held in the Transaction Account will be held across all of the financial institutions referred to in 11.8.3 (a).
- d. We review the financial institutions referred to in 11.8.3 (a) on a monthly basis and adjust credit balances held with these financial institutions accordingly.

- 11.8.4 Where the Authorised Custodian facility applies, we will credit an amount equal to the Allocation Percentage of all Premiums to the Transaction Account held with us before we transfer your chosen payments to the relevant Authorised Custodian(s). In all other circumstances, we credit the Allocation Percentage of all Premiums and proceeds of sale of Assets to the Transaction Account held with us together with any dividend or interest income received or any residual cash as a result of buying and selling Assets or as a result of corporate action. We expect to receive prompt Asset dealing instructions for any such amounts unless these amounts are being used to meet your obligations in Term 18.3.
- 11.8.5 We take from the Transaction Account held with us all amounts for payments of:
- a. benefits; and
 - b. buying and selling of Assets; and
 - c. Portfolio Fund Charges, except on the Final Valuation Date; and
 - d. Third-Party Agent Charges.
- 11.8.6 Interest may be credited for any cash balance in the Transaction Account. Any overdrawn debit balance in the Transaction Account will be charged interest at a rate determined by us based on the amount of the overdrawn debit balance and our banker's base rate from time to time. Interest will be charged from the date the overdrawn balance is created until it is repaid. The rates differ for credit and debit balances and are available on request. Balances held in the Transaction Account are not subject to the Asset Dealing Charge explained in Term 22.3.
- 11.8.7 If there is a debit balance in the Transaction Account held with us on the Quarterly Date then we will reduce this by any credit in any other Transaction Account held with us, as described in Term 11.8.1.
- 11.9 Consideration of other Assets
- 11.9.1 We reserve the right to consider other Assets as potential investments for the Portfolio Fund subject to them being suitable Assets for a life assurance policy.
- 11.9.2 We may put restrictions and conditions on the acceptance of the asset, for example private company shares and any other illiquid assets may not be acceptable where you have chosen the Life Cover Only option.
- 11.10 Removal of an Asset
- 11.10.1 We have the right to dispose of any Asset if we have reasonable belief that it is no longer a suitable Asset for a life assurance policy or if it ceases to be an Acceptable Asset. In the circumstances where such an Asset is a Bespoke Asset, we may exercise, at our absolute discretion, the relevant rights and powers vested in us as owner of the Asset, to liquidate, wind up or otherwise dissolve the Asset on whatever terms we decide in order to remove the Asset from the Portfolio Fund and all associated costs of such action will be debited from the Transaction Account.
- 11.10.2 We will inform you through the Online Service Account, by electronic communication acceptable to us or in writing by post when we have disposed of the Asset.
- 11.10.3 We will hold the proceeds from the disposal of the Asset in a Transaction Account held with us until we receive further instructions from you.
- 11.11 If any Asset ceases to be authorised or recognised by the Monetary Authority of Singapore or ceases to be acceptable to us or the Isle of Man Financial Services Authority or any successors you will not be able to allocate any further Units to this Asset.
- 11.11.1 We shall write to you through your Online Service Account, where you have one, by electronic communication acceptable to us or by post as soon as we become aware that an Asset ceases to be authorised or recognised by the Monetary Authority of Singapore or ceases to be acceptable to us or the Isle of Man Financial Services Authority or any successors.
- 11.11.2 Whilst awaiting further instructions in relation to this Term 11.11 we will hold the proceeds in the Transaction Account held with us.

11.12 Where one or more Assets held become illiquid

- 11.12.1 Where one or more Assets held become illiquid, it may result in unpaid Portfolio Fund Charges. If these unpaid Charges erode the value in the Portfolio Fund so that it falls below our published minimum Portfolio Fund value, then we may either terminate your Policy or you can request to pay an additional Premium as described in Term 3.11.

12. CLOSURE, MERGER OR OTHER TERMINATION OF AN EXTERNAL FUND

- 12.1 The provider of an External Fund may close the External Fund to further investment from Policyholders by way of Premiums or dealing instruction. In that case, the External Fund will remain one of your investments unless you provide a dealing instruction to sell the External Fund.
- 12.2 The provider of an External Fund may terminate an External Fund for all unit holdings.
- 12.3 The provider of an External Fund may merge two or more External Funds.
- 12.4 The conditions of Terms 12.1, 12.2 and 12.3 will be outside our control, although we will advise you of any such action as soon as practical after we are advised of it.

13. FUNDS AND BANK DEPOSITS WITH SPECIAL CONDITIONS AND BESPOKE ASSETS WITH SPECIAL CONDITIONS

13.1 Funds and Bank Deposits with special conditions and Bespoke Assets with special conditions

- 13.1.1 Some External Funds and Bank Deposits which are Assets may set a higher minimum investment amount than that imposed by us for individual holdings of Assets. This may mean that such an Asset will have to be sold if the value falls below the provider's then minimum value. We are not responsible for the results of this action and will hold any sale proceeds in the Transaction Account held with us until you give us alternative instructions.
- 13.1.2 Some collective funds (for example Exchange Traded Funds) only trade in whole units or in whole numbers of units sometimes referred to as 'lots'. Buying or selling these funds may consequently result in there being residual cash (either a credit or debit) held in the Transaction Account held with us due to the need to round up or down to the nearest tradeable number of units. Any credit or debit balance in the Transaction Account will be subject to Term 11.8.
- 13.1.3 We may allow Assets which are valued less often than daily or which may exist for a fixed duration. We may also allow Bank Deposits of a fixed duration. This may result in a delay in selling and sometimes buying Assets. If you request us to invest in such Assets then you accept such delays.
- 13.1.4 The Portfolio Fund cannot be made up only of Assets as described in Terms 13.1.1 to 13.1.3. Otherwise the Assets may be sold in accordance with Term 18. In particular, we still need you to have a cash balance in liquid Assets such as the Transaction Account held with us. An Asset Dealing Charge as described in Term 22.3 will apply in respect of the sale of an Asset.
- 13.1.5 We will only allow transactions which would involve an early sale of these Assets if the provider agrees. You may have to pay a penalty for selling the Assets early and this would reduce the value of the Portfolio Fund and the amount available to you. There may be a delay in paying the money from the sale until the next date that the Asset is valued and the proceeds are then credited to the Transaction Account.

- 13.1.6 We may allow Assets which advertise guaranteed returns or an element of capital protection. You, your Investment Adviser Representative or the Discretionary Asset Manager, should be satisfied that the guarantee or capital protection is likely to be met. We accept no responsibility for, and offer no advice about, the value of any such guarantee or capital protection.
- 13.1.7 The Dealing Desk may also allow investment into Assets which are commonly referred to as 'experienced', 'professional' or 'qualifying investor' Assets. Such Assets are not intended for retail sale to private investors unless they meet strict financial criteria.
- 13.1.8 Such Assets by their nature usually involve a high degree of risk and often have a minimum investment duration.
- 13.1.9 It is normal for the provider to insist on the investor confirming the risks are understood before allowing the investment to be made. We accept no responsibility if investment into such a fund is chosen and you should obtain and review all relevant documentation and be satisfied that you understand the risks associated with the investment.
- 13.1.10 Investment into such an Asset is subject to the condition that the provisions of Term 14 apply so that you accept the investment risk and in addition:
- a. you have read the prospectus and risk warnings issued by the provider, including any disclaimer they require a Professional Investor to sign, and you accept those added risks; and
 - b. you understand that there may be a significant redemption penalty should you wish to surrender the Policy, should the Death Benefit become payable or if you ask us to realise the particular fund within the stipulated minimum investment period.
- 13.1.11 Although we may allow Assets described in this Term 13, it is for you, your Investment Adviser Representative or the Discretionary Asset Manager to ensure that the Portfolio Fund is invested in liquid Assets so as to enable prompt and adequate realisation in order to pay for Portfolio Fund Charges. We do not undertake to monitor this in any way and can accept no responsibility for any failure to pay Portfolio Fund Charges in a timely manner for any such reason.

14. INVESTMENT RISKS AND RESPONSIBILITIES

- 14.1 You accept the investment risks by investing into the Silk Life Plan.
- 14.2 Due to the wide variety of Assets which can be chosen, this Term 14 cannot detail all the risks. You should ensure you fully understand and accept all the potential risk exposures. This Term 14 is designed to give you information on some of the risk exposures.
- 14.3 All financial products including cash carry a degree of risk. Even low risk investment strategies involve an element of uncertainty. The types of risk that might apply will depend on various matters, including how any relevant Asset is created, the type of Asset, Policy, the location or domicile of the Asset provider, the diversification of the Assets (including the amount invested in any one currency, security, country or Asset provider) and the use of borrowing.

Different Assets involve different levels of risk exposure. The value of stocks, shares, Investment Funds and Bespoke Assets can fall as well as rise and they, as well as Bank Deposits and any balance in the Transaction Account held with us, could in exceptional circumstances become valueless either permanently or temporarily if they are illiquid or suspended or if the Banks holding cash in Bank Deposits or the Transaction Account become insolvent. In the event of the insolvency of the Authorised Custodian, any cash held by them may be at risk. Should any third party holding cash or Assets linked to your Policy (including Assets or cash in respect of buy or sell instructions where cleared funds have not been credited to our bank account) becomes insolvent, we will attempt to recoup such money or Assets. However, if that third party cannot repay, a debit to reflect any shortfall will be made against your Policy.

Shares are also generally a volatile Asset class – their value can go up and down more quickly than other classes. If a company goes into liquidation, its shareholders rank behind the company's creditors in relation to the realisation and distribution of the company's Assets. Bespoke Assets can be more volatile than Acceptable Assets and can carry significant additional risks. We reserve the right to require additional assurances from the Policyholder that they have fully understood and accept the risks of investing in a Bespoke Asset.

Risk factors may occur simultaneously and may compound each other, resulting in an unpredictable effect on the value of any Asset. The value of Assets and the income from them can fall as well as rise and you might lose the original amount invested. Fluctuations in such value and income can be caused by factors such as market movements and variations in exchange rates. Past performance is not a reliable indicator of future results.

- 14.4 You, your Investment Adviser Representative or the Discretionary Asset Manager decide the investment objectives and risk profile of the Portfolio Fund. You are responsible for ensuring that the Assets are suitable for your circumstances. You understand and accept the risks associated with the Assets that you, your Investment Adviser Representative or the Discretionary Asset Manager choose. We do not give investment advice. We accept no responsibility for the investment performance of an Asset. The fact that we may allow or refuse a particular External Fund, Bank Deposit, Stock, Share or Bespoke Asset as an Asset does not indicate any judgement by us about its investment potential or the propriety of the provider of the Asset.
- 14.5 By asking us to include an Asset in your Portfolio Fund, you, your Investment Adviser Representative or the Discretionary Asset Manager are agreeing to accept the risk that, for any reason, the Assets may not be managed in line with its objectives and limits. This includes negligent and fraudulent activity. Also, you, your Investment Adviser Representative or the Discretionary Asset Manager accept any risk related to any change to the Asset's investment objectives and limits. You are responsible for monitoring the Assets. We are not responsible for managing the Assets you have chosen in your Portfolio Fund other than carrying out a treasury function in respect of the Transaction Account(s) held with us. The manager of the Asset is responsible for managing the Asset, including appointing and supervising any administrator and for complying with the stated investment objectives. We have no control over the manager's actions or omissions and we will not monitor the manager or accept any responsibility for making sure that the Asset is properly managed. Similarly, the provider of a Collective Investment Scheme controls the investment policy of an External Fund, as does the provider of a Bank Deposit.
- 14.6 An Asset in the Portfolio Fund to which your Policy is linked may have redemption restrictions applied from time to time. If such restrictions are applied, they will also apply to your Portfolio Fund and may significantly delay the processing of surrenders and benefit payments.
- 14.7 You legally own the Policy. As we legally and beneficially own the Assets, they will be held in our name which means you have no right to specific Assets. Assets may be pooled with Assets held by us for other policyholders and their entitlements may not be identifiable by separate certificates, other documents of ownerships or equivalent electronic records. As an example, cash held in the Transaction Account may be pooled with Assets held for other policyholders. This example is illustrative and not exhaustive.
15. HOW MUCH OF A PREMIUM IS ALLOCATED TO UNITS AND HOW ARE ASSETS BOUGHT?
- 15.1 The Allocation Percentage is shown in the Schedule. For additional Premiums, it is shown in our letter accepting the additional Premium. This will be sent to you.
- 15.2 The Allocation Percentage is applied to the Premium. Where the Allocation Percentage for the Premium differs from 100%, we then debit or credit the transaction Account to reflect this adjustment in the Premium. This is known as the Allocation Amount. We use this Allocation Amount to buy Assets for the Portfolio Fund or determine the amount to be transferred to the relevant Authorised Custodian where you have chosen to use the Authorised Custodian facility.
- 15.3 We will create Allocated Units based on a notional price of one unit of Policy Currency per Allocated Unit on the Contract Date. For example, if the Policy Currency is Singapore dollars (SG\$), then the notional Unit price is SG\$1. By dividing the Allocation Amount by the notional Unit price the number of Allocated Units is determined.
- 15.4 For Premiums we accept after the Contract Date, we will use the Allocation Amount to create Allocated Units based on the price of the Allocated Units already within the Portfolio Fund on the previous Quarterly Date or the Contract Date if there is no previous Quarterly Date.
- 15.5 We will credit the Premium to the Transaction Account held with us and determine the Allocation Amount as described in Term 15.2, which we will use to buy your chosen Assets at the appropriate price for that Asset or transfer to the relevant Authorised Custodian. Where the Default Custodian is used, we will buy your chosen Assets and debit the costs of the transaction from the Transaction Account held with us.
- 15.5.1 We will normally give instructions to buy Assets within two Working Days following the Contract Date or the date that we accept payment of the Premium. This may be the same day.
- 15.5.2 If all or any part of the instruction from you to buy an Asset is illegible, ambiguous, conflicting or unclear in any way to us, or the Asset name selected does not exist, or if a situation such as referred to in Term 19 applies, then we will not act on the instruction and we will inform you of that. We can accept no responsibility for the effects of any delay or failure to carry out all or part of a transaction in such circumstances.

- 15.5.3 If you choose an Asset which is valued less frequently than daily then an amount equal to the relevant proportion of the Allocation Amount will be retained in the Transaction Account held with us until the date we are able to purchase the Asset or money is required by the External Fund manager or their Asset administrator where the money is required by them prior to any purchase.
- 15.5.4 If you choose an Asset which requires a number of units or shares to be purchased rather than a cash value, where we are instructed to buy such an Asset using a cash value, we will use the previous day's closing price to convert the cash value into the number of units or shares to buy the Asset. Market movements may result in a different cash value being applied to purchase the Asset than the cash value we were instructed to use. We can accept no responsibility for any difference in the cash value in such circumstances. By requesting the number of units or shares to be purchased for these Assets, the difference in cash value can be avoided.
- 15.5.5 All costs involved, including third-party and professional costs incurred relating to the acquiring of an Acceptable Asset or Bespoke Asset will be applied to the Transaction Account.
- 15.5.6 There may be a delay acquiring a Bespoke Asset, due to the nature of the Asset, for example they may not be liquid, and in some cases it may not be possible to execute the instruction. We or the Dealing Desk can accept no responsibility for the effects of any delay or failure to carry out all or part of the transaction in such circumstances.
- 15.6 We use the expressions 'buy', 'purchase' and 'sell' in these Terms because they are easy to understand. However, they do only refer to buying and selling by the Dealing Desk and not any actions by you, your Investment Adviser Representative or Discretionary Asset Manager.
- 15.7 Where the Authorised Custodian facility applies, we will credit the amount relating to the Authorised Custodian to the Transaction Account held with us before we transfer it to the transaction account held with the relevant Authorised Custodian. The percentage transferred will be as requested by you.
- 15.8 If we have not completed an Asset review as described in Term 11.2.4, then an amount equal to the relevant proportion of the Allocation Amount will be retained in the Transaction Account held with us until completion of the Asset review. If the Asset review identifies that the Asset is not acceptable to us, then we will inform you of that and you should give us alternative instructions.
- 15.9 Allocated Units and a cash or Asset transfer.
- 15.9.1 Where you have transferred part or all of your Premium in the form of an Asset Transfer or cash transfer as described in Term 3.12 and the cash or Assets are held with an Authorised Custodian we will create Allocated Units as described in Term 15.3.
- 15.9.2 The cash and Assets will remain with the Authorised Custodian and be transferred into our beneficial ownership where you have requested us to and we have agreed to appoint that Authorised Custodian.
- 15.9.3 If you have requested us to transfer some or all of the Assets to a different Authorised Custodian, they will be transferred into our beneficial ownership with that different Authorised Custodian.
- 16. HOW CAN YOU CHOOSE AND CHANGE ASSETS?**
- 16.1 Making your first Asset choice
- 16.1.1 In your application unless you wish to transfer the Assets solely to an Authorised Custodian, you must tell us the Assets that you have chosen. You must also tell us how much of the Allocation Amount we should allocate to each Asset. This is subject to the higher of our minimum dealing amount, stipulated in Term 42, and the External Fund's minimum dealing amount.
- 16.1.2 On the Contract Date, we will allocate the Premium to the Transaction Account held with us, determining the Allocation Amount and normally give instructions to buy Assets for the Portfolio Fund within five Working Days of the Contract Date. Where the Authorised Custodian facility applies as described in Term 10, we will transfer the proportion of the Allocation Amount to the relevant Authorised Custodian within five Working Days following the Contract Date. You, your Investment Adviser Representative or the Discretionary Asset Manager will need to provide dealing instructions to the Dealing Desk of the relevant Authorised Custodian.
- 16.1.3 If you have a Cluster of Policies, the value of the Assets will be allocated equally to each Policy subject to any rounding adjustment.
- 16.1.4 If we cannot buy the Assets you have chosen, or we are unable to transfer the Allocation Amount to the relevant Authorised Custodian in accordance with Term 16.1.2 we will hold it in the Transaction Account held with us unless you, your Investment Adviser Representative or Discretionary Investment Manager give us other instructions. This may happen if a situation such as referred to in Term 19 applies. We will inform you of this.

16.2 Changing the Assets

16.2.1 You, your Investment Adviser Representative or the Discretionary Asset Manager may change your choice of Assets by using the Online Service or by sending a dealing instruction to our Dealing Desk by electronic communication acceptable to us or fax or post for Assets held with our Default Custodian.

- a. If you choose an Asset which requires a number of units or shares to be purchased or sold rather than a cash value, where we are instructed to buy or sell such an Asset using a cash value, we will use the previous day's closing price to convert the cash value into the number of units or shares to buy or sell the Asset. Market movements may result in a different cash value being applied to purchase or sell the Asset than the cash value we were instructed to use. We can accept no responsibility for any difference in the cash value in such circumstances. By requesting the number of units or shares to be purchased or sold for these Assets, the difference in cash value can be avoided.
- b. All costs involved, including third-party and professional costs incurred relating to the reviewing, buying, administration, custody, selling, closure and winding up of Assets will be applied to the Transaction Account.
- c. There may be a delay acquiring and disposing of Bespoke Assets, due to the nature of the Assets. For example, they may not be liquidated immediately, and in some cases it may not be possible to execute the instruction. We or the Dealing Desk can accept no responsibility for the effects of any delay or failure to carry out all or part of the transaction in such circumstances.
- d. Where you are using the Authorised Custodian account facility, you must send a dealing instruction form by post to the relevant Authorised Custodian's Dealing Desk (or other communication method acceptable to the Dealing Desk). Any instruction sent to us that relates to Assets held by an Authorised Custodian will not be actioned or sent on to the Dealing Desk of the relevant Authorised Custodian.

16.2.2 The time of receipt or delivery of any electronic communication sent to our Dealing Desk will be determined by the time of sending recorded on our system, as explained in Term 29.4.5. Where we receive paper instruction, receipt will be as defined in Term 29.3.4. You will need to ask us to acknowledge receipt of electronic communication acceptable to us and faxes otherwise there can be no guarantee that this has been received and actioned by us.

- a. Where you are using the Authorised Custodian account facility, time or delivery of any communication to the Dealing Desk will be defined by that particular Dealing Desk.

16.2.3 We will normally give instructions to buy or sell Assets within two Working Days of receipt of a valid instruction. The dealing date will be the next dealing point administratively available to us by the provider of the Assets or next available market price for other tradeable securities, after we have actioned your request. Where you are using the Authorised Custodian account facility, the dealing date will be defined by their Dealing Desk. It will normally be the next dealing point administratively available to that Dealing Desk.

16.2.4 Your instruction must meet our reasonable requirements at the time. These requirements may include a valid identifier such as an ISIN number and a minimum value of Assets to be bought or sold. This minimum will be the higher of our published minimum dealing amount, and the minimum dealing amount of the Asset as determined by the Asset's manager.

16.2.5 The Dealing Desk will normally only buy an Asset if there is enough cash balance to fund the transaction and to pay any related direct and indirect expenses, taxes and any associated currency transactions; or if there is a simultaneous sale of an Asset which provides enough cash in the Transaction Account. The Dealing Desk will hold the proceeds of sale after all direct and indirect expenses and taxes of the sale and any associated currency transaction have been deducted.

16.2.6 If instructions to sell Assets have a higher value than instructions to buy, any balance of proceeds of transactions will be held as cash in the Transaction Account.

- 16.2.7 It is your, your Investment Adviser Representative's or the Discretionary Asset Manager's responsibility to ensure that prompt Asset dealing instructions which account for the full value of the Assets in the relevant Transaction Account are provided, unless this is being used to meet your obligations in Term 13.1.11. Any credit balance will be shown in the next Quarterly Valuation.
- 16.3 If we agree to accept an additional Premium then you may give us an Asset dealing instruction through the Online Service or by post. We may buy an Asset before your additional Premium payment has cleared. If your additional Premium payment does not clear, the bank does not honour your additional Premium payment or your additional Premium payment is cancelled for any reason, we will sell any Assets we have bought and you will be liable to us for our losses if the value of the Assets have fallen. We can recover the value of our loss from your Silk Life Plan. We will keep any increase in the value of the Assets from the sale of the Assets.
- 16.4 We will normally only buy an Asset if:
- 16.4.1 there is enough credit balance in the Transaction Account held with us to fund the transaction and to pay any related direct and indirect expenses and taxes and any costs associated with currency transactions; for example, converting the amount to a different currency.
 - 16.4.2 we sell other Assets at the same time to provide enough cash for the transaction; and
 - 16.4.3 the deal meets the minimum dealing amount as described in Term 16.1.1 and Term 16.2.6.
- 16.5 We will take all direct and indirect expenses and taxes due as a result of selling the Asset and any costs associated with a currency transaction from the proceeds of the sale of the Asset and will pay the rest into the Transaction Account held with us.
- 16.5.1 If you choose an Asset which requires a number of units or shares to be purchased rather than a cash value, where we are instructed to buy such an Asset using a cash value, we will use the previous day's closing price to convert the cash value into the number of units or shares to buy the Asset. Market movements may result in a different cash value being applied to purchase the Asset than the cash value we were instructed to use. We can accept no responsibility for any difference in the cash value in such circumstances. By requesting the number of units or shares to be purchased for these Assets, the difference in cash value can be avoided.
- 16.6 Instructions to us
- 16.6.1 An Asset dealing instruction form (or other communication acceptable to us) should be completed by you, your Investment Adviser Representative or Discretionary Asset Manager and provided to us.
 - 16.6.2 If all or any part of the instruction to us from you, your Investment Adviser Representative or the Discretionary Asset Manager, to buy or sell an Asset is illegible, ambiguous, conflicting or unclear in any way to us, or the Asset name selected does not exist, or if a situation such as referred to in Term 19 applies, then we will not act on the instruction and will use our best efforts to inform you of that. We can accept no responsibility for the effects of any delay or failure to carry out all or part of a transaction in such circumstances.
- 16.7 Market Timing
- 16.7.1 Market Timing can be disruptive to fund management and may cause dilution in funds which is detrimental to long-term investors. We seek to monitor Market Timing and take appropriate action where such activity is identified.
 - 16.7.2 We or the provider of the Asset reserve the right to defer or decline a request, employ fair value pricing or adjust the fund pricing basis on a fund or individual transaction. This would apply where under regulatory guidelines or best market practice we or the provider of the Asset reasonably consider any activity to constitute Market Timing. We or the provider of the Asset may impose an appropriate levy or charge which will be passed on to relevant Policyholders within the price of units or shares allocated or cancelled. We or the provider of the Asset can accept no responsibility for any economic or other loss suffered through the exercise of such rights by us or the provider of the Asset.
- 16.8 We have the right to defer or decline carrying out a dealing instruction because of a situation such as those referred to in Term 19.
- 16.9 We have the right to agree to change the timings set out in this Term to take advantage of improvements in communication and the possibility of more than one dealing point in a day.

17. WHEN AND HOW IS THE PORTFOLIO FUND VALUED?

17.1 Contract Date calculation

17.1.1 On the Contract Date, we will calculate the value of your Portfolio Fund as follows. The Premium, or converted Premium where your Premium is paid in a different currency to the Policy Currency (the Premium will be notionally converted to the Policy Currency at the mid-market rate on the Contract Date), adjusted by:

- a. any increase or reduction in the Premium to reflect an Allocation Percentage of more or less than 100%;
- b. any direct or indirect expenses, taxes and associated currency transactions incurred in the transfer to us of any Assets we agree to accept as a Premium payment; and
- c. any Premium tax, stamp duty or other levy imposed on life assurance policies and payable on behalf of the Policyholder.

17.1.2 We will then create Allocated Units based on a notional price of 1 unit of Policy Currency per Allocated Unit. For example, if the Policy Currency is Singapore dollars (SG\$), then the notional Unit price is SG\$ 1. By dividing the value in Term 17.1.1 by the notional Unit price the number of Allocated Units is determined.

Example:

If your Premium is SG\$ 1,500,000, the Allocation Percentage is 100% and the Policy Currency is Singapore dollars SG\$, then the number of Allocated Units will be 1,500,000. If the Allocation Percentage is 98%, the Allocation Amount would be SG\$ 1,470,000 (SG\$ 1,500,000 less SG\$30,000 to reflect the reduction in the Premium by 2% as the Allocation Percentage is 98%), then the number of Allocated Units would be 1,470,000 and the value of each Allocated Unit at that time will be SG\$ 1.

17.1.3 We will also deduct the Life Cover Charge.

17.2 Quarterly Date, Final Plan Valuation Date or the Final Valuation Date?

17.2.1 We will calculate the value of the Assets on the Quarterly Date using the latest published prices available to us for those Assets. We may use independently sourced prices for this.

- a. For External Funds and stocks and shares, we will use the latest selling price.
- b. For Bespoke Assets, a valuation method will be agreed before we accept the Asset. This will be set out in the terms and conditions we will stipulate as the basis upon which we are prepared to accept an Asset as a Bespoke Asset. This may involve engaging a suitably qualified professional to provide the value of the underlying Assets or we may use the most recent valuation or price available to us.
- c. We will not be responsible for any losses arising as a result of someone else pricing an Asset incorrectly.
- d. For Bank Deposits, we will use the latest deposit value without allowance for any interest which has not accrued.

17.2.2 On the Final Valuation Date or Final Plan Valuation Date we will calculate the final value of each Asset less any costs involved.

17.2.3 We will add to those values any credit balance in the Transaction Account held with us including any Asset rebates we agree to share with you.

17.2.4 We will deduct from that value:

- a. any Portfolio Fund Charge which applies for the Valuation Period; and
- b. any Third-Party Agent Charge or other charges which have been debited to the Transaction Account held with us during the Valuation Period; and
- c. any third-party costs incurred for the ongoing administration of Bespoke Assets, such as legal fees, service provider charges and company registration fees; and
- d. such amounts as we consider proper for payments and expenses incurred in the management, maintenance and valuation of Bespoke Assets. These may include our administration costs and any relevant taxes payable in relation to these Assets;
- e. any debit balance in the Transaction Account held with us in addition to those mentioned in Term 17.2.4 (b) above; and
- f. any actual or prospective taxes, levy or other charge against the Assets or income of the Portfolio Fund for the Period, including any Goods and Services Tax (GST) for services. The share of any such tax, levy or charge debited to the Portfolio Fund will be proportionate.

17.3 We will then divide the calculated value by the number of Allocated Units rounding the result up to two decimal places to arrive at the price of the Allocated Units for your Portfolio Fund.

17.4 We will carry out the valuation within a reasonable period following the Quarterly Date and will provide you with a Quarterly Valuation which can be viewed through the Online Service Account. Where you do not have an Online Service Account or upon request, we will send you a paper version of the Quarterly Valuation statement.

17.5 We may agree to provide a valuation statement (which will not take into account any accrual of Portfolio Fund Charges) at other times and subject to our right to impose a reasonable charge for the administrative costs incurred. Where you have an Online Service Account, such valuation statements are available to access at any time without any additional charge. Payment of a further Premium or taking a part surrender benefit

17.5.1 If we agree to accept a further Premium from you then we will create further Allocated Units based on the price of Units on the preceding Quarterly Date (or the Contract Date if there is no preceding Quarterly Date).

17.5.2 If we pay you a part surrender benefit then we will cancel Allocated Units to pay the benefit based on the price of Units on the preceding Quarterly Date (or the Contract Date if there is no preceding Quarterly Date). We will also carry out a review as described in Term 7.2.3.

17.5.3 Our use of the prices referred to in Term 17.5.1 and 17.5.2 are solely for our administrative convenience and will not disadvantage you in any way.

17.6 We reserve the right to change the Quarterly Date for administrative reasons. We will inform you of the change to the Quarterly Date before it happens.

18. SELLING ASSETS TO PAY FOR PORTFOLIO FUND CHARGES

- 18.1 If there is a debit balance held in the Transaction Account, the debit balance will be reflected in your next Quarterly Valuation. You, your Investment Adviser Representative or the Discretionary Asset Manager have 30 days from the date of the Quarterly Valuation to provide us with investment instructions in order to clear the debit balance.
- 18.1.1 If the debit balance is less than the published maximum overdraft limit, the debit balance will remain in the Transaction Account. If the debit balance remains outstanding after the 30 day notice period and if the debit balance is above the published maximum overdraft limit, then we have the right to sell from an instant access or short notice Bank Deposit first and if not then, from the highest value Asset on that date, unless that Asset has restricted dealing, or early redemption penalties. Under these circumstances, we will sell from the Asset with the next highest value but with no restricted dealing or early redemption penalties, and so on.
- 18.1.2 If all Assets have restricted dealing or early redemption penalties, we will sell from the Asset with the highest value and you will incur the redemption costs.
- 18.1.3 The redemption of an Asset may result in the loss of a previously secured interest rate or price for the Asset. Any credit balance in the Transaction Account where the amount of the Asset redeemed is greater than the debit balance will use the prevailing interest rate or Asset price when new Assets are purchased.
- 18.1.4 If we cannot sell from any Assets, we will defer the sale of Assets as described in Term 19.
- 18.2 If you have chosen to use the Authorised Custodian account facility, we will request that the Authorised Custodian transfers an amount to us to cover the outstanding debit balance on the Deduction Date. This is regardless of any maximum overdraft limit on debit balances for the Transaction Account held with us.
- 18.2.1 If the Authorised Custodian is unable to pay the invoice as there is insufficient credit in its transaction account, then we or the Authorised Custodian will contact you, your Investment Adviser Representative or the Discretionary Asset Manager requesting that investment instructions are provided to the Dealing Desk for the Authorised Custodian immediately, so that Assets are realised to clear any debit balance in the Transaction Account held with us.
- 18.2.2 The debit balance will be reflected in the Quarterly Valuations we provide for you.
- a. If the debit balance is more than our published maximum overdraft limit and if a debit balance remains outstanding 30 days after the Quarterly Valuation confirming the debit balance, we have the right to clear any debit balance in the Transaction Account held with us by instructing the Authorised Custodian to sell from an instant access or short notice Bank Deposit first and if not, we will request the Authorised Custodian to sell from the highest value Asset, unless that Asset has restricted dealing or early redemption penalties. Under these circumstances, we will instruct the Authorised Custodian to sell from the Asset with the next highest value but no restricted dealing or early redemption penalties.
- b. If all Assets have restricted dealing or early redemption penalties, we will instruct the Authorised Custodian to sell from the Asset with the highest value and you will incur the redemption costs.
- c. The redemption of an Asset may result in the loss of a previously secured interest rate or price for the Asset. Any credit balance in the Transaction Account where the amount of the Asset redeemed is greater than the debit balance will use the prevailing interest rate or Asset price when new Assets are purchased.
- d. If none of the Assets can be sold, we will defer the sale of Assets as described in Term 19.
- 18.2.3 If we do not instruct the Dealing Desk due to the debit balance being less than the published maximum overdraft limit, the debit balance will remain in the Transaction Account held with us. Once the debit balance is above the published maximum overdraft limit, the debit balance will be cleared in accordance with this Term 18.2.

- 18.3 It is the responsibility of the investment Adviser Representative, you or the Discretionary Asset Manager, to ensure that there is sufficient credit balance in the Transaction Account to meet any payments which will be taken from the Transaction Account. An Asset Dealing Charge will apply in respect of the sale of an Asset.
- 18.4 We will send confirmation to your Online Service Account where you have one or by post after the sale of Assets has taken place.
- 18.5 We have the right to defer or decline selling Assets because of a situation such as referred to in Term 19.
- 18.6 Selling Assets to pay for Portfolio Fund Charges
- 18.6.1 Portfolio Fund Charges will be debited from the Transaction Account. If there is a credit balance held in the Transaction Account held with us then we will normally use that value towards payment for Portfolio Fund Charges.
- 18.6.2 If there is a debit balance held in the Transaction Account, the debit balance will be reflected in your next Quarterly Valuation. You, your Investment Adviser Representative or the Discretionary Asset Manager have 30 days from the date of the Quarterly Valuation to provide us with investment instructions in order to clear the debit balance.
- a. If there is no credit balance in the Transaction Accounts, or the credit balance is insufficient to meet the amount debited, we will deduct the Portfolio Fund Charges from the Transaction Account which will result in the Transaction Account going overdrawn. If the debit balance is less than the published maximum overdraft limit, the debit balance will remain in the Transaction Account. If the debit balance remains outstanding after the 30 day notice period and if the debit balance is above the published maximum overdraft limit, then we have the right to sell Assets. Assets will be sold in accordance with Term 18.1 when we exercise the right to sell Assets.
- 18.7 If you have chosen to use the Authorised Custodian account facility, we will request that the Authorised Custodian transfers an amount to us to cover the outstanding debit balance on the Deduction Date. This is regardless of any maximum overdraft limit on debit balances for the Transaction Account held with us.
- 18.7.1 If the Authorised Custodian is unable to pay the invoice as there is insufficient credit in its transaction account, then we or the Authorised Custodian will contact you, your Investment Adviser Representative or the Discretionary Asset Manager requesting that investment instructions are provided to the Dealing Desk for the Authorised Custodian immediately, so that Assets are realised to clear any debit balance in the Transaction Account held with us.
- 18.7.2 The debit balance will be reflected in the Quarterly Valuations we provide for you.
- a. If the debit balance is more than our published maximum overdraft limit and if a debit balance remains outstanding 30 days after the Quarterly Valuation confirming the debit balance, we have the right to clear any debit balance in the Transaction Account held with us by instructing the Authorised Custodian to sell Assets in accordance with Term 18.2.
- 18.7.3 If we do not instruct the Dealing Desk due to the debit balance being less than the published maximum overdraft limit, the debit balance will remain in the Transaction Account held with us. Once the debit balance is above the published maximum overdraft limit, the debit balance will be cleared in accordance with Term 18.2.
- 18.8 It is the responsibility of the Investment Adviser Representative, the Discretionary Asset Manager or you to ensure that there is sufficient credit balance in the Transaction Account to meet the Portfolio Fund Charges which will be debited. An Investment Dealing Charge will apply in respect of the sale of an Asset.
- 18.9 We will send confirmation to your Online Service Account where you have one or by post after the sale of Assets has taken place.
- 18.10 We have the right to defer or decline selling Assets because of a situation such as referred to in Term 19.

19. DEFERRAL AND DECLINATURE OF TRANSACTIONS

- 19.1 It may not be possible for us to carry out transactions due to a number of factors outside of our control.
- 19.2 We or the manager of an External Fund may defer any transaction involving buying and selling an Asset until a date we or the manager of an External Fund or Asset consider appropriate and equitable in the circumstances, having regard to the interests of Policyholders generally if:
- 19.2.1 dealings in an External Fund or Asset or in an Asset directly held by such an External Fund has been suspended; or
 - 19.2.2 any of the principal stock exchanges or markets on which a significant proportion of the Assets of an External Fund or Asset is quoted is closed, other than for ordinary holidays, or has restricted dealing; or
 - 19.2.3 we or the manager of an External Fund or Asset:
 - a. are unable to return money to make payments following cancellation of Units; or
 - b. consider that money cannot be transferred to buy or sell Assets of a fund or payments that are due when Units are cancelled; or
 - c. believe there are other circumstances which mean it is not possible to calculate fair and accurate prices for Units or any other Assets.
- 19.3 The provider of an External Fund or Asset has the right to decline an instruction from us to carry out a transaction.
- 19.4 We may decline a request by you for a Policy Transaction if we believe that the request is invalid; incomplete; corrupted; compromised or unclear.

- 19.5 We may defer or decline a Policy Transaction, including those requested through the Online Service, if we believe:

- 19.5.1 it is unlawful or might be associated with unlawful, criminal, fraudulent or terrorist activity;
- 19.5.2 that by carrying out the Policy Transaction, including those requested through the Online Service, we may breach a legal or regulatory duty that applies to us;
- 19.5.3 you are in breach of your Online Service Agreement or these Policy Terms.
- 19.5.4 you have submitted a request and the Online Service is not available to you.

- 19.6 If your Policy Transaction is deferred or declined as explained in this Term 19, we will communicate this to you.

20. CAN YOU GET MONEY OUT OF YOUR POLICY?

- 20.1 You may request a total surrender of one or more Cluster of Policies, a part surrender of a Cluster of Policies or Regular Withdrawals by completing a surrender form and sending it to us by electronic communication acceptable to us, or by post.
- 20.1.1 Where there is more than one Policyholder, all Policyholders must approve the request to surrender one or more Cluster of Policies, to part surrender a Policy or to take Regular Withdrawals.
 - 20.1.2 When you submit your request we will send you confirmation that we have actioned your request including the details of the transaction in by post.
 - 20.1.3 The time of receipt or delivery of any communication sent to us by post is described in Term 29. You will need to ask us to acknowledge receipt of electronic communication acceptable to us otherwise there can be no guarantee that this has been received and actioned by us.
 - 20.1.4 We will normally give instructions (including to the Dealing Desk) to sell the Assets as soon within five Working Days of receiving a fully completed instruction.
 - 20.1.5 Once the realised amount has been credited to our bank account, then subject to receipt of our reasonable requirements, we will make payment of the total surrender proceeds or part surrender proceeds. Regular Withdrawals will be paid on the Regular Withdrawal Due Date in accordance with Term 20.4.

20.2 Total surrender of one or more Cluster of Policies

- 20.2.1 You can surrender your Policy or one or more of your Cluster of Policies, if applicable, and receive the value of the Allocated Units less any outstanding Portfolio Fund Charge.
- 20.2.2 To ensure that transactions and Policies remain economically viable, we stipulate a minimum value of a Portfolio Fund. We have the right to refuse a surrender of one or more of your Cluster of Policies if the surrender will reduce the value of the Portfolio Fund below the minimum value we stipulate for a Policy or Cluster of Policies.
- 20.2.3 We will normally give instructions (including to the Dealing Desk) to sell the Assets within five Working Days of receiving your instruction to surrender one or more of your Cluster of Policies.
- 20.2.4 The Assets will be sold at the next dealing point administratively available following our instruction.
- 20.2.5 We will not make payment of the total surrender benefits until the realised amount has been credited to our bank account. We can accept no responsibility for the late payment due to delay in providing us with dealing instructions in respect of the Asset or Assets to be realised especially if they are not priced daily.
- 20.2.6 We have the right to defer or decline any request to surrender because of a situation such as referred to in Term 19.
- 20.2.7 On total surrender of a Policy, your Policy will end and we will not pay any further benefits. As an example, dividends received on our Assets after the total surrender benefits have been paid will be kept by us regardless of which payment period the dividends relate to.
- 20.2.8 If you have a Cluster of Policies and you surrender one or more Policies, the total Sum Assured will be reduced by the amount of the Sum Assured applicable to the surrendered Policies in the cluster.

20.2.9 We reserve the right to automatically surrender your Policy immediately and without notice in the circumstances where you have materially breached these Terms, including in circumstances where:

- a. You are, or we reasonably suspect you may be, using your Policy for an illegal purpose;
- b. You are, or we have reason to suspect you may be, acting fraudulently;
- c. You exhibit threatening, abusive or violent behaviour towards our employees, either face-to-face, over the phone or in correspondence;
- d. We reasonably believe you have applied for the Policy using falsified information or documents;
- e. You repeatedly fail to provide us with reasonable information or documents enabling us to comply with our legal and regulatory obligations;
- f. We reasonably conclude that by continuing to keep the Policy in force, we may break a law, regulation or Court Order and where such consequence could lead to action against us or to our criminal prosecution.

20.2.10 Where we invoke Term 20.2.9, we will pay the total surrender benefits to you as soon as reasonably practicable (unless directed by a Court Order or similar legal instrument to pay the total surrender benefits to an alternative party) by either one or a combination of the following methods:

- a. By bank transfer to the nominated account we hold for you on our records;
- b. By the transfer of Assets to you using the relevant details maintained on our records.

20.2.11 Once we have paid the total surrender benefit to you under Term 20.2.10, your Policy will end and we will not pay any further benefits.

20.3 Part surrender of a Policy or Cluster of Policies

20.3.1 You may request a part surrender, subject to our stipulated minimum amount in Term 42 of your Policy or Cluster of Policies by selling Assets in the Portfolio Fund so that the value of each Policy will be reduced proportionately. This means that all the Policies will remain of the same value (subject to any rounding adjustments). You may instead totally surrender one or more Policies.

20.3.2 Where you have chosen the Life Cover Only Option basis in your application form, on each Policy Anniversary, or on the Contract Date if your Policy has not passed its first Policy Anniversary, we will calculate an Annual Allowance. The amount of the Annual Allowance is calculated each Policy year as 4% of the Policy Value on the last Policy Anniversary or 4% of the Premium paid on the Contract Date, if sooner.

20.3.3 If the total amount of part surrender in a Policy year exceeds your Annual Allowance, the Sum Assured may be reduced.

- a. The Sum Assured will not be reduced if the Policy Value is greater than the Sum Assured at the time of the part surrender and after the part surrender.

Example

On the Contract Date, the Premium paid is SG\$8,000,000. The Sum Assured on the Policy, at the time of the part surrender is SG\$10,000,000 and the Policy Value is SG\$10,050,000. A part surrender up to SG\$50,000, the difference between the Policy Value and the Sum Assured, will not reduce the Sum Assured.

- b. Where the total cumulative part surrender in a Policy year exceeds the Annual Allowance and any amount in excess of the Sum Assured, if applicable, the Sum Assured will reduce. The Sum Assured will be reduced if:
 - i. the Policy Value, at the time of the part surrender, is less than the Sum Assured. The Sum Assured will be reduced by an amount equal to the amount in excess of the Annual Allowance.

Example 1

On the Contract Date, the Premium paid is SG\$8,000,000. The Sum Assured on the Policy, at the time of the part surrender is SG\$10,000,000 and the Policy Value is SG\$8,050,000.

The available Annual Allowance in the first Policy Year is SG\$320,000 (SG\$8,000,000 multiplied by 4%).

If the Policyholder requests a part surrender of SG\$400,000 in the first Policy Year, the Sum Assured will be immediately reduced to SG\$9,920,000 because the part surrender exceeds the Annual Allowance by SG\$80,000.

In the second Policy Year, the Policy Value on the first Policy Anniversary was SG\$9,000,000 and the Sum Assured was SG\$9,920,000. If the Policyholder requests a part surrender of SG\$500,000, the Annual Allowance available in the second Policy year is SG\$360,000 (SG\$9,000,000 multiplied by 4%).

Following the part surrender, the Sum Assured will be immediately reduced by

\$140,000 (SG\$500,000 less SG\$360,000). The Sum Assured after the part surrender will be SG\$9,780,000 (SG\$9,920,000 less SG\$140,000), and so on.

- ii. following the part surrender the Policy Value becomes less than the Sum Assured. The Sum Assured will be reduced by an amount equal to the amount in excess of the Annual Allowance.

Example

On the Contract Date, the Premium paid is SG\$8,000,000. The Sum Assured on the Policy, at the time of the part surrender is SG\$10,000,000 and the Policy Value is SG\$10,050,000.

The available Annual Allowance in the first Policy Year is SG\$320,000.

The Policyholder requests a part surrender of SG\$1,000,000 in the first Policy year, since the Policy Value at time of part surrender (SG\$10,050,000) is higher than Sum Assured by SG\$50,000. The first SG\$50,000 part surrender will not reduce Sum Assured.

The amount of part surrender which equates to the amount of the Annual Allowance (SG\$320,000) will also not reduce the Sum Assured.

This means the Sum Assured will be reduced by SG\$630,000 (SG\$1,000,000 less 50,000 less 320,000). The new Sum Assured following the part surrender is SG\$9,370,000.

20.3.4 Where a part surrender has used, for example, half of the Annual Allowance available in a Policy Year, only half of the Annual Allowance will be available for future part surrenders within the same Policy Year. Where Term 20.3.3(a) applies, the amount of part surrender will not reduce your Annual Allowance.

- a. Any unused Annual Allowance in a Policy Year can not be carried forward to future years.

20.3.5 Where you have chosen the Life Cover Plus Option basis in your application form, the Sum Assured will not be reduced by any amount as a result of a part surrender and Terms 20.3.2 to 20.3.4 will not apply.

20.3.6 The remaining Portfolio Fund value must be equal to or be greater than 15% of the Premium.

20.3.7 The Sum Assured will also be reviewed as explained in Term 7.2.3.

20.3.8 We will cancel Allocated Units to pay the part surrender benefit based on the price or Units on the preceding Quarterly Date (or Contract Date if there is no previous Quarterly Date).

20.3.9 You must select an Asset to be sold to pay for part surrender benefits.

- a. If the Asset you have chosen is held with us, this will be the Asset sold to pay for the part surrender benefits. This is known as the Nominated Asset.
- b. Where the Asset you have chosen is held with an Authorised Custodian, this will be the Asset sold to pay for the part surrender benefits

20.3.10 On receipt of your instruction to part surrender, the Asset you have selected in accordance with Term 20.3.9 above, will normally be sold on the next dealing point administratively available to us or the Dealing Desk following receipt of your part surrender instruction.

- a. If the Asset is valued less frequently than daily, the Asset will be sold at the next dealing point administratively available for that non-daily dealing Asset.

20.3.11 If we are unable to pay the part surrender benefits because the Asset you have selected in Term 20.3.9 is unavailable to sell then we will contact you for revised instructions.

- a. Your part surrender will not be actioned until we have received new dealing instructions. This includes instructing us to use any credit balance in the Transaction Account held with us or the transaction account of the Authorised Custodian.

- b. On receipt of your revised instructions, Assets will be sold as described in Term 20.3.10.

20.3.12 We will not make payment of part surrender benefits until the realised amount has been credited to our bank account unless the part surrender is a Regular Withdrawal as described in Term 20.4 or Term 20.5 where the payment will be made on the Regular Withdrawal Due Date. We can accept no responsibility for the late payment due to delay in providing us with dealing instructions in respect of the Asset or Assets to be realised, especially if they are not priced daily.

20.3.13 We have the right to defer or decline any request for part surrender because of a situation such as referred to in Term 19, or where a request for a part surrender would reduce the Sum Assured below our minimum published amount for a Sum Assured.

20.4 Regular Withdrawals (other than for advice fees)

20.4.1 You may take Regular Withdrawals each month, quarter, six months or year, depending on our minimum stipulated withdrawal limit in Term 39, by sending us instructions.

- a. We have the right to amend the frequency available for Regular Withdrawals in the future in order to meet our administrative requirements at the time. We will also carry out a review as described in Term 7.2.4. If you have Regular Withdrawals in place that will be affected, we will inform you of this change at least one month before the change will take place.
- b. Where you have chosen the Life Cover Only option basis in your application form, the Sum Assured will be reduced by an amount of any Regular Withdrawals and part surrender in a Policy year which exceeds your Annual Allowance described in Terms 20.3.2 to 20.3.4.

Where you have chosen the Life Cover Plus option basis in your application form, the Sum Assured will not be reduced by any amount as a result of a Regular Withdrawal.

20.4.2 We will pay the Regular Withdrawals on the Regular Withdrawal Due Date subject to Term 20.4.4 or 20.4.5 (b)(ii). This will be paid by debiting the Transaction Account held with us.

20.4.3 The value of each Policy will be reduced proportionately to reflect the Regular Withdrawal payment. This means that all the Policies will remain of the same value (subject to any rounding adjustments).

20.4.4 We will pay the Regular Withdrawals to you, unless Term 20.4.4 (a) (i) or 20.4.4 (b) (i) applies, or it is no longer possible to sell from a Nominated Asset and Term 20.4.4 (c) (i) applies. We will send confirmation to you after this transaction has taken place.

- a. We will normally sell the Nominated Asset (unless you have chosen the Transaction Account as your Nominated Asset) five Working Days before the Regular Withdrawal Due Date and debit the Transaction Account held with us and pay the Regular Withdrawal on the Regular Withdrawal Due Date. This is regardless of any credit balance in the Transaction Account held with us. We will credit the proceeds of the sale of the Nominated Asset to the Transaction Account held with us.
 - i. If we requested the sale of the Nominated Asset five Working Days before the Regular Withdrawal Due Date but the sale of the Nominated Asset subsequently fails after the Regular Withdrawal Due Date, we will inform you as described in Term 20.4.4 (c) and the outstanding debit for the Regular Withdrawal will be cleared on the next Deduction Date as described in Term 18.
- b. If you have chosen the Transaction Account held with us as your Nominated Asset, you or your Investment Adviser Representative must ensure there is sufficient credit balance in the Transaction Account to pay the Regular Withdrawal by the Regular Withdrawal Due Date by selling Assets.
 - i. If we do not receive a new instruction for a Nominated Asset before the next Regular Withdrawal Due Date, we will not pay that Regular Withdrawal.
- c. If it is no longer possible to sell from a Nominated Asset, we will advise you immediately after the last Regular Withdrawal that we were able to pay and request you or your Investment Adviser Representative provide a new Nominated Asset.
 - i. If we do not receive a new instruction for a Nominated Asset before the next Regular Withdrawal Due Date, we will not pay that Regular Withdrawal.
- d. If we cannot pay a Regular Withdrawal, we will not pay any future Regular Withdrawals until the next Regular Withdrawal Due Date after we have received a new instruction for a Nominated Asset or there is sufficient credit in the Transaction Account where this is your Nominated Asset. We will not pay any missed Regular Withdrawals.

20.4.5 If you have chosen to use the Authorised Custodian account facility then when you request Regular Withdrawals, you or your Investment Adviser Representative are required to ensure the relevant Dealing Desk has instructions to sell Assets to ensure sufficient credit to cover the Regular Withdrawal is available in the Transaction Account held with us at least 30 days before the Regular Withdrawal Due Date, to pay the Regular Withdrawal on the Regular Withdrawal Due Date.

a. Where we are paying the Regular Withdrawal and there is sufficient credit in the Transaction Account held with us on the Regular Withdrawal Due Date, we will debit the Transaction Account held with us and pay the Regular Withdrawal and we will send confirmation to you after this transaction has taken place.

b. Where we are paying the Regular Withdrawal and there is no credit held in the Transaction Account held with us, we will pay the Regular Withdrawal and debit the Transaction Account held with us unless the Authorised Custodian has advised us that it cannot release funds to us. We will send confirmation to you after this transaction has taken place.

i. If the Authorised Custodian is unable to send us the funds to cover the Regular Withdrawal, they will contact you or your Investment Adviser Representative for investment dealing instructions. They will also inform us that they cannot release funds.

ii. Once the Authorised Custodian has informed us that they cannot release funds to us, we will not pay any future Regular Withdrawals and any outstanding debits in the Transaction Account held with us will be cleared in accordance with Term 18.

c. If we cannot pay a Regular Withdrawal, we will not pay any future Regular Withdrawals until the next Regular Withdrawal Due Date after there is sufficient credit in the Transaction Account held with us to cover a Regular Withdrawal. We will not pay any missed Regular Withdrawals.

20.4.6 We reserve the right to cancel any request for Regular Withdrawals because of a situation such as referred to in Term 19, or where the Regular Withdrawal would reduce the Sum Assured below our minimum published amount for a Sum Assured.

20.5 Facilitating Investment Adviser Representative Fees

20.5.1 This Term 20.5 only applies where you have requested that we facilitate payment of fees by making Regular Withdrawals.

20.5.2 You may request Regular Withdrawals for Ongoing Fees in order to facilitate payment of Investment Adviser Representative Fees, subject to our minimum stipulations shown in Term 42.

a. Where you have chosen the Life Cover Only option basis in your application form, the Sum Assured will be reduced by an amount of any Regular Withdrawals and part surrender in a Policy year which exceeds your Annual Allowance described in Terms 20.3.2 to 20.3.4.

Where you have chosen the Life Cover Plus option basis in your application form, the Sum Assured will not be reduced by any amount as a result of a Regular Withdrawal.

20.5.3 Where Regular Withdrawals for Ongoing Fees are in respect of Investment Adviser Representative Fees, you may request a fixed monetary amount or a fixed annual percentage of the value of Assets that you have agreed with your Investment Adviser Representative.

The fixed percentage will be based on the value of the Assets at the Quarterly Date and paid quarterly in arrears and on the Final Valuation Date, subject to Term 20.5.7 (b) or 20.5.7 (b)(ii).

a. Where the Investment Adviser Representative Fees are to be a percentage of the value of the Assets on the Quarterly Date and are to be paid by us, the amount will need to be calculated before payment can be made.

The payment date and therefore when we debit the Transaction Account held with us will depend on the date we have received all relevant information to calculate the amount.

This date will vary depending on the type of Assets held, and the relevant Authorised Custodian's internal processes for reporting to us.

20.5.4 The value of each Policy will be reduced proportionately to reflect the Regular Withdrawal for Ongoing Fees payment. This means that all the Policies will remain of the same value (subject to any rounding adjustments).

20.5.5 If you have chosen not to use the Authorised Custodian account facility then we will pay the Regular Withdrawals for Ongoing Fees, unless Term 20.5.6 (b) applies.

- a. If you have chosen a Nominated Asset for Ongoing Fees, we will normally sell the Nominated Asset for Ongoing Fees at the next Deduction Date after the payment is made and debited to the Transaction Account held with us. This is regardless of any credit balance in the Transaction Account held with us. We will credit the proceeds of the sale of the Nominated Asset for Ongoing Fees to the Transaction Account held with us.
- b. If you have not selected a Nominated Asset for Ongoing Fees or it is no longer possible to sell from a Nominated Asset for Ongoing Fees and there is insufficient credit in the Transaction Account held with us to cover the Regular Withdrawal for Ongoing Fees, we will not pay any future Regular Withdrawals for Ongoing Fees and any outstanding debits in the Transaction Account held with us will be cleared in accordance with Term 18.
- c. If we cannot pay a Regular Withdrawal for Ongoing Fees, we will not pay any future Regular Withdrawals for Ongoing Fees until the next Deduction Date after we have received a new instruction for a Nominated Asset for Ongoing Fees or there is sufficient credit in the Transaction Account held with us. We will not pay any missed Regular Withdrawals for Ongoing Fees.

20.5.6 If you have chosen to use the Authorised Custodian account facility you or your Investment Adviser Representative are required to ensure the Dealing Desk has instructions to sell Assets to ensure sufficient credit is available to cover the Regular Withdrawal for Ongoing Fees in the Transaction Account held with us at least 30 days before the payment date, to pay the Regular Withdrawal for Ongoing Fees on the payment date. Your Quarterly Valuations will reflect when Regular Withdrawals for Ongoing Fees have been paid.

- a. Where we are paying the Regular Withdrawal for Ongoing Fees and there is sufficient credit in the Transaction Account held with us on the payment date, we will debit the Transaction Account held with us and pay the Regular Withdrawal for Ongoing Fees.
- b. Where we are paying the Regular Withdrawal for Ongoing Fees and there is no credit held in the Transaction Account held with us, we will pay the Regular Withdrawal for Ongoing Fees and debit the Transaction Account held with us unless the Authorised Custodian has advised us that it cannot release funds to us.
 - i. If the Authorised Custodian is unable to send us the funds to cover the Regular Withdrawal for Ongoing Fees, they will contact you or the Investment Adviser Representative for investment dealing instructions. They will also inform us that they cannot release funds.
 - ii. Once the Authorised Custodian has informed us that they cannot release funds to us, we will not pay any future Regular Withdrawals for Ongoing Fees and any outstanding debits in the Transaction Account held with us will be cleared in accordance with Term 18.
- c. If we cannot pay a Regular Withdrawal for Ongoing Fees, we will not pay any future Regular Withdrawals for Ongoing Fees until the next payment date after there is sufficient credit in the Transaction Account held with us (or the Authorised Custodian's transaction account) to cover a Regular Withdrawal for Ongoing Fees. We will not pay any missed Regular Withdrawals for Ongoing Fees.

- 20.5.7 These Regular Withdrawals for Ongoing Fees will continue until either:
- your Policy is terminated; or
 - your Surrender Value falls to zero; or
 - you ask us to stop making these payments by sending us instructions; or
 - a situation as described in Term 9.5 occurs in respect of an Investment Adviser Representative.
- 20.5.8 We reserve the right to cancel any request for Regular Withdrawals for Ongoing Fees:
- because of a situation such as referred to in Term 19; or
 - the Investment Adviser Representative or you do not fulfil the responsibility in Term 20.5.6.
- 20.6 Inability to sell an Asset
- 20.6.1 It may not be possible to sell or dispose of Assets because of a situation such as referred to in Term 19 happening. The following will apply if you:
- ask for a total surrender of all your Cluster Policies; we may pay the Surrender Value in one or more instalments.
 - The first instalment will be for the value of the Assets which can be sold as though they were the only Assets for total surrender of all your Cluster Policies in accordance with Term 20.2; and
 - a further instalment or instalments will be made when the remaining Assets have been sold.
 - In such circumstances, if it is not possible to sell any of the Assets, we will defer payment of your Surrender Value until we are able to pay either the whole Surrender Value or the first instalment as described by Term 20.6.1. (a) (i), unless you request us to transfer ownership of the Assets to you as provided by Term 20.9.1 where this possible. As owner of the Asset, whether we agree to pay all or part of the Surrender Value by such transfer of ownership is a matter entirely at our discretion and we are not required to provide you with any reason for our decision. You can also ask us to consider relinquishing your rights to the value of the Assets linked to the Policy.
 - request a total surrender of one or more, but not all of the Cluster Policies, or a part surrender other than a Regular Withdrawal, we will not carry out your request until you confirm to us that we can sell or dispose other Assets or transfer the ownership of Assets as provided by Term 20.9.1.
- 20.7 If you ask us to surrender a Policy, in full or in part, you must meet our reasonable requirements including providing proof that you are entitled to the Policy. We may also ask you to return the Schedule and complete a surrender form.
- 20.8 We will make payment when the amount from the last sale of the Asset has been credited to our bank account. If there is a delay sending us a dealing instruction in respect of the Assets you want to sell then we are not responsible if the payment to you is delayed.
- 20.9 Surrender by transfer of Assets to you.
- 20.9.1 Provided it is permitted by law and regulation and with your consent including where Term 20.6 applies, then we may pay all or part of a payment due by transferring the ownership of Assets linked to the Portfolio Fund to you.
- 20.9.2 You may also ask us to pay you by transferring the ownership of Assets linked to the Portfolio Fund to you.
- If we agree to your request we will agree a value of those Assets (taking into account any associated costs of the transfer and any outstanding Portfolio Fund Charges and Third-Party Agent Charges).
 - If necessary we will sell Assets to pay for the costs and outstanding Portfolio Fund Charges and Third-Party Agent Charges out of the Assets we are transferring.

21. WHAT ARE THE PORTFOLIO FUND CHARGES AND HOW ARE THEY PAID?

- 21.1 The Charges Schedule which forms a part of the Policy shows the details of each Portfolio Fund Charge that will, or in certain instances may, apply to your Policy.
- 21.2 Any outstanding charge will also be deducted from the Portfolio Fund on the Final Plan Valuation Date or Final Valuation Date
- 21.3 Your Charges Schedule will confirm which charging basis you have agreed to. If the charging basis provides that charges are based on the higher of the Premium or the Portfolio Fund value, then you should be aware that if the value of the Portfolio Fund falls below the Premium the charge will apply to the value of the Premium paid and not the lower Portfolio Fund value.
- 21.4 Where Assets in your Portfolio Fund cannot be sold to pay Fund Charges.
 - 21.4.1 There may not be enough credit balance in the Transaction Account held with us. It may also not be possible to sell Units or shares in any other Assets because of a situation happening such as those referred to in Term 19. In that case we will carry forward the outstanding charges as a debit balance on the Transaction Account held with us until we can sell the Assets.
- 21.5 Investing in External Funds
 - 21.5.1 Many External Funds will be subject to the External Fund manager's own annual management charge. Deduction of that charge will be reflected in the price of that fund's units or shares before we calculate the Portfolio Fund value and any Management Charge.

22. PORTFOLIO FUND CHARGES

- 22.1 This Term describes each charge that may apply to your Policy.

If a charge applies to your Policy then it will be shown in the Charges Schedule. The Charges Schedule will show the amount of the charge and the period it applies to and how we work out the charge.

- 22.1.1 We will calculate the charge using the Quarterly Date or, where applicable, the Final Valuation Date or Final Plan Valuation Date. We will deduct the charge from the Transaction Account held with us on the Deduction Date and, if applicable, on the Final Valuation Date or Final Plan Valuation Date. We will then sell Assets or instruct the Dealing Desk of the Authorised Custodian to sell Assets as described in Term 18. As well as the charges shown in the Charges Schedule, charges imposed by third-parties may apply as explained in Term 23. We may amend the date of the Deduction Date in the future. We will tell you about any change to the Deduction Date which varies the current Deduction Date by more than one week through your Online Service Account where you have one or by post.

- 22.1.2 Where the Portfolio Fund value is not sufficient to meet the deduction of a charge which is due, the Grace Period will commence, as described in Term 7.6.3. You may offer to pay an additional Premium up to and including 62 days after the commencement of the Grace Period. This is also subject to you paying all outstanding Portfolio Fund Charges and Third Party Agent and other Charges, which include a further 12 month's Portfolio Fund Charges in advance.

If after 62 days you have not paid an additional Premium, as described in Term 3.11, your Policy will lapse without value and come to an end.

22.1.3 Where a charge is stated to be reviewable, the following Terms will apply:

- a. The amount of this charge is reviewed yearly and may be altered with any amendment normally applying from 1 January each year.
- b. We will tell you about any change to the charge either within your Quarterly Valuation or by post or electronically in accordance with Term 30 at least one month before the change takes effect.
- c. When reviewing the charge we will, on the advice of our Actuary, consider any change year-on-year to the rate of Singapore inflation since the last amendment to the charge and any changes to the level of the expenses incurred by us which are reasonable in amount and reasonably incurred. Any such change will be proportionate.
- d. In exceptional circumstances, our Actuary may advise us that it is appropriate to review the charge immediately, taking account of the facts in Term 22.1.3 (c). We will inform you of this fact by post or electronically in accordance with Term 30. This may be after the revised charge applies.

22.2 Initial Charge

22.2.1 Some costs of setting-up the Policy and administering any additional Premium are reflected in the Allocation Percentage which is applied to your Premium and is shown in your Schedule. For example, the Allocation Percentage could equal 98%.

22.3 Asset Dealing Charge

22.3.1 This charge applies to each transaction to buy and each transaction to sell an Asset and will be debited to the Transaction Account held with us in the Policy Currency in arrears on each Quarterly Date (and if applicable the Final Valuation Date). It will not apply during any initial period from the Contract Date that is specified in your Charges Schedule.

22.3.2 We may allow you a number of transactions to sell or buy an Asset without incurring an Asset Dealing Charge. Your Charges Schedule will show if this applies to your Policy. It will also show the number of transactions which can be made without incurring an Asset Dealing Charge.

22.3.3 We will calculate the total amount of the Asset Dealing Charge each Quarterly Date. The charge will be the Asset Dealing Charge multiplied by the number of chargeable transactions needed to buy and sell an Asset. The total amount of the Asset Dealing Charge will be deducted from the Transaction Account held with us on the Quarterly Date.

22.3.4 The amount of this charge is reviewable as described in Term 22.1.3

22.4 Administration Charge

22.4.1 The charge is a monetary amount shown in the Charges Schedule in the Policy Currency and payable in arrears on the Deduction Date and the Final Plan Valuation Date.

22.4.2 This charge is not proportioned and so applies in full if the Policy has been in existence for one day or more of the Valuation Period relevant to the particular Valuation Date or the Final Valuation Date.

22.4.3 The amount of this charge is reviewable as described in Term 22.1.3.

22.5 Regular Policy Management Charge

- 22.5.1 One or more levels may apply for this charge.
- 22.5.2 This charge will apply in arrears on each Quarterly Date and, if applicable, on the Final Valuation Date. Your Charges Schedule will show when each Regular Policy Management Charge level will start to be deducted and the number of full months it will be taken for unless the Policy comes to an end sooner.
- 22.5.3 We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence for during:
 - a. the Valuation Period which includes the Contract Date or the commencement of a Regular Policy Management Charge,
 - b. the Valuation Period which includes the end date of a Regular Policy Management Charge; and
 - c. the Valuation Period which includes the Final Valuation Date, if within the period relevant to this charge.
- 22.5.4 This charge will be based on either:
 - a. the relevant Premium; or
 - b. the proportion of the value of the Portfolio Fund in respect of the relevant Premium; or
 - c. the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium.
- 22.5.5 A separate charge will apply from the Premium Acceptance Date in respect of each additional Premium.
- 22.5.6 If a part surrender is taken from the Cluster of Policies then the Regular Policy Management Charge will continue to be payable as though a part surrender had not occurred.

22.6 Early Withdrawal Charge

- 22.6.1 This charge applies on total surrender of your Policy or Cluster of Policies for the complete number of years from payment of a Premium shown in the Charges Schedule. It also applies if the amount of such part surrender results in the remaining Portfolio Fund value being less than the percentage, shown in your Charges Schedule, of the Premium or the remaining Surrender Value being less than our current published minimum value at the time for a Policy or Cluster of Policies.
- 22.6.2 One or more amounts may apply for this charge.
- 22.6.3 The charge will be the relevant percentage, taking into account any reductions of the charge depending on the time since payment of the Premium, as shown in the Charges Schedule. The charge will be based on either:
 - a. the relevant Premium; or
 - b. the proportion of the value of the Portfolio Fund in respect of the relevant Premium; or
 - c. the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium.
- 22.6.4 A separate charge will apply from the Premium Acceptance Date in respect of each additional Premium.

22.7 Life Cover Charge

- 22.7.1 This charge will apply in advance on the Contract Date and then each subsequent Quarterly Date. The first charge will be taken from the Contract Date to the end of the Quarter in which the Contract Date falls. We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence from the Contract Date to the end of the Quarter in which the Contract Date falls.
- 22.7.2 This charge is not proportioned (except in the first quarter as stated in Term 22.7.1) and so applies in full if the Policy has been in existence for one day or more of the Quarter.
- 22.7.3 The quarterly Life Cover Charge is a percentage rate applied to the Sum at Risk.
- The Life Cover Charge percentage rate is based on a number of factors; the age, gender, residency, smoker status, occupation, recreational pass-times, underwriting class, and health of each Life Assured.
 - The Life Cover Charge percentage rate will increase at each Policy anniversary date in line with the increase in age of each Life Assured.
 - The charge that will be deducted from your Policy will be calculated by applying this Life Cover Charge percentage rate to the Sum at Risk.
 - Where you have chosen the Life Cover Only Option the Sum at Risk is the Sum Assured less the Policy Value at each Quarterly Date
 - Where you have chosen the Life Cover Plus Option the Sum at Risk is the Sum Assured at the Quarterly Date.

22.8 Authorised Custodian Amendment Charge

- 22.8.1 The Authorised Custodian Amendment Charge will apply as a fixed monetary amount to cover our administration costs of making an amendment to the appointment of an Authorised Custodian.
- 22.8.2 The charge will apply on each transfer of Assets from the Default Custodian to an Authorised Custodian, from an Authorised Custodian to the Default Custodian or between Authorised Custodians, other than the initial appointment of one or more Authorised Custodian.
- 22.8.3 The charge is shown in the Policy Currency in your Charges Schedule.
- 22.8.4 This will be deducted from the Transaction Account held by us on the next Deduction Date after the amendment is made.
- 22.8.5 The amount of this charge is reviewable as described in Term 22.1.3.

22.9 Currency Dealing Charge

- 22.9.1 Any costs incurred in converting any sum from one currency to another for a transaction may be deducted from the amount available for the transaction.
- 22.9.2 If a Currency Dealing Charge is shown in the Charges Schedule, then the charge will be made in respect of each conversion from one currency to another.

22.10 Ongoing Service Charge

- 22.10.1 This charge can apply where regulatory rules allow and you have agreed a fund based commission with your Financial Adviser Representative. Alternatively, the fund based commission deductions can be included within the Regular Policy Management Charge.
- 22.10.2 One or more levels may apply for this charge.
- 22.10.3 The charge will apply in arrears on each Quarterly Date and, if applicable, on the Final Valuation Date for the number of full months shown in the Charges Schedule or until the policy comes to an end.
- 22.10.4 We will only charge a proportion of the Ongoing Service Charge relevant to the number of days the Policy has been in existence for during:
 - a. the Valuation Period which includes the Contract Date or the commencement of an Ongoing Service Charge,
 - b. the Valuation Period which includes the end date of an Ongoing Service Charge; and
 - c. the Valuation Period which includes the Final Valuation Date, if within the period relevant to this charge.
- 22.10.5 The charge will be based on either:
 - a. the relevant Premium; or
 - b. the proportion of the value of the Portfolio Fund in respect of the relevant Premium; or
 - c. the higher of the relevant Premium paid or the value of the Portfolio Fund in respect of that Premium.
- 22.10.6 A minimum or maximum monetary charge in the Policy Currency may apply as specified in your Charges Schedule.
- 22.10.7 You may request for us to change this charge in the future by writing to us at our Office. All Policyholders have to agree to the change. Any amendment will be subject to our approval which, if granted, will be actioned and take effect on the date our approval is granted.
- 22.10.8 Any change will be communicated to you through your Online Service Account, where you have one, or by post or electronically in accordance with Term 30.

22.11 'Set Up Charge'

- 22.11.1 This charge will apply on the Premium Acceptance Date.
- 22.11.2 The charge is a monetary amount shown in the Policy Currency in the Charges Schedule.
- 22.11.3 A separate charge will apply in respect of each additional Premium.

23. THIRD-PARTY AGENT CHARGES AND OTHER CHARGES

23.1 Third-Party Agent Charges

- 23.1.1 There are various third-party charges related to the Silk Life Plan. These charges will be debited to the Transaction Account held with us or debited by an Authorised Custodian and debited to the Portfolio Fund at each Valuation Date unless debited earlier.
- 23.1.2 As examples, these charges may include:
 - a. safe custody charges imposed by an Authorised Custodian as described in Term 10.
 - b. the charges for the services of the Dealing Desk in conjunction with the Authorised Custodian account facility.
 - c. currency conversion charges for payment of any benefit in a currency other than the Policy Currency.
 - d. currency conversion charges to purchase any Assets in a different currency.
 - e. remittance charges to pay benefits by a method requested by you.
 - f. any third-party costs incurred for the purchase, valuation, advice and ongoing administration of Bespoke Assets, such as legal fees, service provider charges and company registration fees.
 - g. such amounts as we consider proper for payments and expenses incurred in the management, maintenance and valuation of Bespoke Assets. These may include our administration costs and any relevant taxes payable or legal costs in relation to these Assets
- 23.1.3 These examples are illustrative and not exhaustive and we have no control over the number of such charges or their amount. As a result they may increase, reduce, stop, or be introduced without notice to you or us.

23.2 Discretionary Asset Manager Charge

23.2.1 This charge will apply in arrears on each Quarterly Date or if applicable, on the Final Valuation Date. This charge will be either:

- a. an annual percentage of the value of the Assets managed by the Discretionary Asset Manager; or
- b. a fixed monetary amount per annum.

A separate charge basis will apply for each Discretionary Asset Manager appointed.

23.2.2 The charge will be provided in either the application form or the form requesting the appointment of a Discretionary Asset Manager.

23.2.3 We will only charge a proportion of the charge relevant to the number of days the Policy has been in existence for:

- a. the Valuation Period which includes the Contract Date or the commencement of a Discretionary Asset Manager Charge;
- b. the Valuation Period which includes the end date of a Discretionary Asset Manager Charge; and
- c. the Valuation Period which includes the Final Valuation Date if within the period relevant to this charge.

23.2.4 The payment date and therefore when we debit the Transaction Account held with us will usually be the second Friday of the Quarter or when this day is not a Working Day, the next Working Day. However, where an Authorised Custodian has also been appointed then it may depend on the date we have received all relevant information to calculate the amount. This date will vary depending on the type of Assets held, and the Authorised Custodian's internal processes for reporting to us.

23.2.5 We will continue to take this charge until our agreement with the Discretionary Asset Manager is terminated as described in Terms 9.3, 9.4 or 9.5.

24. OTHER CHARGES - DIRECT AND INDIRECT EXPENSES, TAXES AND ASSOCIATED CURRENCY TRANSACTIONS

24.1 Various other charges may arise on payment of a Premium or when a transaction takes place. They will either be taken before the amount is made to us or we will take them from the amount we receive.

24.1.1 These charges may be imposed in the currency of the transaction even if it is not the Policy Currency.

24.1.2 As examples, these charges may include:

- a. charges imposed by a banker for a telegraphic transfer;
- b. stockbrokers' charges and fees;
- c. stamp duty or other fiscal imposition on a sale or purchase;
- d. withholding taxes; and
- e. foreign exchange charges.

24.1.3 This is not a complete list and we have no control over these charges other than for charges described in Term 24.1.4 below. As a result they may increase, reduce, stop, or be introduced without notice to you or us.

24.1.4 If we incur charges due to telegraphic transfers, we will consider the costs imposed on us by a bank or other financial institution and our costs of administering the telegraphic transfer when deciding the level of charge that we will apply.

25. JOINT OWNERSHIP

25.1 Where the Policyholder is two or more individuals, then if any of them dies all their rights, title and interest in the Policy will automatically accrue to the surviving individuals as Policyholder.

Any transaction requiring a request by the Policyholder will require a request by each such Policyholder.

26. LEAD POLICYHOLDER

26.1 Appointment of a Lead Policyholder or Lead Trustee by an individual(s) or trustees.

26.1.1 If there is more than one Policyholder, you will be asked to select one Policyholder to be the Lead Policyholder in order for Policy Transactions to be carried out through the Online Service. If you are using a different form of communication which is acceptable to us, you may also select a Lead Policyholder.

26.1.2 Each Policyholder must agree to select the same Lead Policyholder. If each Policyholder cannot agree then you will not be able to use the Online Service.

26.1.3 By selecting a Lead Policyholder, you agree and authorise the Lead Policyholder to provide us with instructions to carry out certain Policy Transactions on behalf of all the Policyholders.

26.1.4 By selecting a Lead Policyholder, where the application is made by trustees, the trustees confirm that the provisions of the trust allow delegation of authority to one trustee to act on behalf of all trustees.

26.1.5 Each Policyholder may have their own Online Service Account. Each Policyholder will be able to access their account to view their Policy but will not be able to carry out Policy Transactions individually through their Online Service Account, unless they are the Lead Policyholder.

26.2 Appointment of a Lead Policyholder by a corporate entity.

26.2.1 If you are registering for the Online Service on behalf of a corporate entity, including, for example, a trust company, then you will be known as the Lead Policyholder.

26.2.2 Where an individual is selected as a Lead Policyholder by a Policyholder which is a corporate entity, you will ensure that the individual has the appropriate authority to act on behalf of the corporate entity. For example that there has been a board resolution that confirms the Lead Policyholder has the authority to act on behalf of the corporate entity solely.

26.3 Changes to the Lead Policyholder

26.3.1 You may request to change the Lead Policyholder at any time.

26.3.2 All Policyholders must agree on a new appointment for a replacement Lead Policyholder, as explained in Term 26.1.2.

26.3.3 The Lead Policyholder will stop being a Lead Policyholder when:

a. that person dies; or

b. there is a request by all Policyholders to remove the authority from that person to be a Lead Policyholder. For example, where the Lead Policyholder ceases to be a trustee of the trust, for any reason.

26.3.4 You must inform us of any change. If you do not inform us of the change then we will continue to act on the instruction of the Lead Policyholder.

26.3.5 We will not accept any further instructions through the Online Service and we will only accept instructions by post signed by all Policyholders until a replacement has been appointed, as explained in Term 26.3.2.

27. REQUESTING A CHANGE OF LIFE ASSURED

27.1 You may request for a Life Assured to be replaced on your Policy.

a. If there is only one Life Assured you may request a new Life Assured to be added to the Policy, subject to our acceptance, and for the Life Assured at the time of the request to be removed at the same time.

b. If there are two Lives Assured you may request for one of them to be removed and for another to be added, subject to our acceptance, at the same time.

i. You are not able to change the basis of the Policy.

Example

If your Schedule states Joint Life First Death basis it cannot be changed to Joint Life Last Death basis and vice versa.

27.2 Your request to add a Life Assured will be subject to our reasonable requirements which will include an insurability questionnaire and any supplementary medical reports and any additional information our underwriters will require in order to determine the terms we may be prepared to accept the change of Life Assured on.

27.3 We will tell you if we are able to accept the change of Life Assured and, if so, on what terms.

27.3.1 You are unable to request a change of Life Assured where:

- a. you are a UK resident at the time of the request; or
- b. we have accepted a claim for the Terminal Illness benefit, as described in Term 5.9; or
- c. a Life Assured has died.

27.4 Any change of Life Assured will take effect from the date we accept your request.

27.5 The Life Cover Charge, described in Term 22.7 will be re-calculated and will apply from the next Quarterly Date after we accept your request to change the Life Assured.

28. ONLINE SERVICE

28.1 You may apply to access our Online Service through which you can communicate with us and we can communicate with you. Continuing access to our Online Service is subject to the Online Service Agreement.

28.2 You may access the Online Service by means of the use by you of certain security details. You are responsible for keeping such security details secure. In the event that your details are used to access the Online Service, it is agreed that we are to assume that such usage is done either by you personally or by someone you have authorised and such usage will be binding upon you. It is therefore your responsibility to ensure that the Online Service is only accessed by you or persons you have authorised.

28.3 You shall indemnify us in full for costs, losses, damages and expenses we suffer or incur, however so arising, which are caused by any improper, unauthorised and/or fraudulent access to the Online Service, except where the same has been caused by our own negligence.

28.4 You should tell us immediately if you experience any failure, delay or error whilst using any aspect of the Online Service, including when sending and receiving instructions. We are not responsible for any loss which could have been avoided had you advised us of any such failure, delay or error immediately.

29. HOW TO LET US KNOW YOU WANT TO USE POLICY OPTIONS AND COMMUNICATIONS GENERALLY

29.1 General Provisions

29.1.1 There are several methods by which you can communicate with us and these are set out in more detail in Terms 29.2 to 29.5 below. The following general provisions apply to all these methods of communication. In the event that there is a conflict between these general provisions and the method specific provisions set out in Terms 29.2 to 29.5, the latter will take precedence.

29.1.2 If all or any part of your communication to us is illegible, ambiguous, conflicting or unclear in any way to us, then we will not act on that instruction and will use our best endeavours to inform you of that and resolve the issue. We can accept no responsibility for any consequences of any delay or failure to carry out all or part of an instruction in such circumstances.

29.1.3 At all times we retain a right, in our absolute discretion, to require that further information or documents are provided to us in respect of any instruction we receive before we are required to accept such an instruction.

29.1.4 You are solely responsible for the accuracy and correctness of all instructions sent to us and you must check them prior to them being submitted to us. Upon receipt of any instructions we will seek to implement them without further reference to you and we are not responsible if those instructions are inaccurate or incorrect.

29.1.5 We will not acknowledge the receipt of any communication from you. If you wish to obtain such acknowledgement, you must seek that from us separately. We will therefore act on all communications received without further reference to you.

29.1.6 Once an instruction has been communicated to us, we may not be able to change or stop that instruction. If we can change or stop the instruction, you agree to indemnify us for all expenses, costs or losses we may suffer, howsoever arising, as a result.

29.1.7 In the event that you believe that there has been any failure, delay or error in us carrying out an instruction sent to us, you must immediately advise us of the same.

- 29.1.8 Where any method of you communicating with us involves you using security details, you must keep those details secure and ensure that they are only used by you or persons authorised by you. In the event that you fail to keep those details secure and/or they are used by anyone not authorised by you, we are not responsible for any resultant loss or damage you may suffer except where it is through our own negligence.
- 29.1.9 We can, in our reasonable discretion, refuse to carry out an instruction if:
- a. It may result in us or another company within our group of companies breaking a law, regulation, code or other duty which applies to either us or any company within our group of companies. Unless regulatory or other legal requirements prevent us from doing so, we will inform you that we have exercised our discretion in refusing to carry out an instruction; or
 - b. We suspect that an instruction may be fraudulent or is potentially connected to any suspected fraud, whether against us, you or any third party. Where we exercise this discretion, we may seek confirmation from you as to your instructions and we may report the matter to any interested third parties (including the police or other authorities). We will only carry out the instruction if our concerns have, in our reasonable view, been satisfactorily resolved.
- 29.1.10 We have the right to amend the provisions of Term 29 in our absolute discretion, provided that any such amendments are communicated to you.
- 29.2 Communications to us electronically using the Online Service
- 29.2.1 Any communication received by us using the Online Service is legally equivalent to that communication being personally signed by you, whether initiated by you or not. It is your responsibility to ensure that the Online Service is either only accessed by you or persons you have authorised.
- 29.2.2 Where there is more than one Policyholder, then we may require, at our absolute discretion, confirmation of an instruction from all Policyholders. In the absence of such a requirement, any instruction received by us through the Online Service used by the Lead Policyholder will be treated as having been sent on behalf of all Policyholders and with their authority and consent.
- 29.2.3 Where we have received an instruction through the Online Service, we may send you an e-mail to inform you that the instruction has either been actioned or not actioned as the case may be, albeit you should note that receipt by you of such an e-mail is not guaranteed by us. If you are in any doubt as to whether an instruction has been received or not and whether or not it has been actioned, you can communicate with us separately to ascertain the position.
- 29.2.4 You will be notified of any transaction date at the time of your Policy Transaction through the Online Service.
- 29.2.5 The time of receipt or delivery of any electronic communication sent to us using the Online Service will be determined by the time of sending recorded on our system, unless our system fails and an error message is generated. Where the system fails, an error message is generated, an electronic communication will generally be treated as being received one full Working Day after the date it is received by us through the Online Service Account, except in exceptional circumstances as described in Term 34. You should tell us immediately if you experience any failure, delay or error whilst using any aspect of the Online Service, including when sending and receiving instructions.
- 29.2.6 Certain instructions cannot be provided to us by means of the Online Service. If this is the case, upon receipt of such an instruction we will advise you accordingly. We are not responsible for any loss or damage caused by any delay arising on our refusal to accept an instruction by means of the Online Service.

29.3 Communications to us by post or courier

29.3.1 Any communication received by us by post or courier is legally equivalent to that communication being personally signed by you, whether initiated by you or not.

29.3.2 You accept the risk of sending communications to us either by secure or unsecured post or courier.

29.3.3 Communication with us by post or courier shall only be valid if:

- a. Physically received by us at our Branch Office; and
- b. If signed by the Policyholder personally.

29.3.4 'Received' in the context of Term 29.3 means that we have received the relevant item by postal delivery or courier at our Branch Office on a Working Day by 17:00 Singapore time. If we receive any such item after 17:00, it shall be treated as having been received on the next Working Day, regardless of what time after 17:00 it was received.

29.3.5 We have the right to amend the provisions of Term 29 in our absolute discretion, provided that any such amendments are communicated to you.

29.4 Electronic communication other than by the Online Service

29.4.1 We will accept communications from you electronically, such as by e-mail. Where we have accepted such a method of communication, such as e-mails from an identified e-mail address, receipt of such a communication by us will be legally equivalent to that communication being personally signed by you, whether initiated by you or not.

29.4.2 In the event that you change your means of communicating with us electronically, such as your e-mail address, you must immediately advise us of such change. In the absence of such information, we are entitled to treat any communication by means of the previously identified method (such as an e-mail address) as being a communication from you personally.

29.4.3 We strongly recommend that all personal, financial and banking information is sent to us through a secure means and that you implement robust security measures to reduce the risk of information and your electronic communications to us being lost, altered or stolen. We are not responsible for any electronic communications (of any type) intended for us which are lost, altered or stolen. You must ensure that all devices used by you to communicate electronically with us are secure, have reasonable protection from viruses and hacking and are never placed in the possession or control of any third parties not authorised by you. We are not responsible for any losses, expenses or costs caused or contributed to by any failure on your part to ensure that all electronic communication to us is secure and cannot be accessed by anyone not authorised by you.

29.4.4 In the event that we receive a form of electronic communication which appears to us to be from you, but has been generated by a third party, whether authorised or not, where the receipt of that communication by us has arisen from any failure on your part to secure or protect your devices, electronic communication acceptable to us accounts or confidential information, we are entitled to assume that such electronic communication is from you or on your behalf and it will bind you unless we have acted negligently.

29.4.5 Proof that you sent an electronic communication to us will not be proof that it has been received by us, irrespective of any transmission confirmation at the sender's location.

29.5 Communications to us by telephone

29.5.1 We may also accept instructions or requests to exercise policy options by telephone subject to such conditions and safeguards we consider reasonable and appropriate. Where we have accepted communications to us by telephone, we will consider such communication to be legally equivalent to a personally signed instruction from you.

29.5.2 Where we receive communications by telephone, the caller will be asked to provide security details in order for us to verify the caller. You must keep those security details secure and ensure that they are only used by you or persons authorised by you. In the event that a caller provides us with such security details to our satisfaction, any instructions provided by that caller to us are binding on you, except where we have been negligent.

30. HOW WILL WE COMMUNICATE WITH YOU?

- 30.1 We will contact you by post, telephone, through the Online Service or by other electronic means (such as by electronic communication acceptable to us). Where we communicate with you by any of these methods, it is legally equivalent to you physically receiving communication from us in writing.
- 30.2 In communicating with you by any of the means provided in Term 30.1, we will use the most recent details you have provided to us. You must immediately inform us of any changes to those details. We accept no liability for any loss or damage suffered if we have not been informed of your most recent contact details. You also will indemnify us for any loss, damages, expenses or costs incurred by us, howsoever arising, as a result of any failure to provide us with up to date or accurate contact details.
- 30.3 Except in cases of negligence on our part, where we have sent you communications, including any notices, they shall be treated as having been received by you as a result of them being sent to you, whether or not they are actually received by you or seen by you.
- 30.4 We are not responsible for any loss or damage caused by any interception, loss or alteration of any of our communications to you, except where we have been negligent. If you suspect that any of our communications to you have been intercepted, lost or altered, you must inform us immediately.
- 30.5 We have the right to amend the provisions of Term 30 in our absolute discretion, provided that any such amendments are communicated to you.
- 30.6 All communications to you and received from you may be recorded and stored by us for our records. We may use such records for any purpose relating to our business, including for training purposes, regulatory requirements, checking the accuracy of instructions received, for verifying identities and resolving any disputes we may have, either with you or third parties.

31. POLICY CURRENCY AND WHERE BENEFITS ARE PAYABLE

- 31.1 We will pay all benefits in the Policy Currency at our Branch Office.
- 31.2 You cannot change the Policy Currency after the Contract Date.
- 31.3 If the Policy Currency is replaced by another currency, then the Policy Currency will become that new currency. For example, if the Policy Currency is Pound Sterling GBP and it is replaced with the Euro, then the Policy Currency will become the Euro. Premiums and benefits will then become payable in Euros based on the rate of conversion provided for by legislation.
- 31.4 If a Policy Currency is abandoned and is replaced by more than one currency (such as where the Euro is abandoned) then the new Policy Currency will be the Pound Sterling GBP.

32. RIGHT TO VARY THE TERMS BECAUSE OF CHANGES TO LAW AND TAXATION

- 32.1 Our Actuary may advise us to vary these Terms and the benefits we pay under the Policy if we cannot maintain the Policy in-line with these Terms without this having a negative effect on us or our Policyholders generally because of:
- 32.1.1 any statutory or regulatory levy being imposed; or
- 32.1.2 any change in law or taxation or regulatory practice which affects:
- a. us; or
 - b. the policies we issue; or
 - c. the funds we keep; or
 - d. the Assets.
- 32.1.3 Any change we make to these Terms and the benefits we pay will be appropriate to put us and our Policyholders into the financial position we both would have been in but for the levy or change.
- 32.1.4 We will tell you about any change to these Terms at least one month before the change will take effect.

33. ANTI-MONEY LAUNDERING AND COUNTERING TERRORIST FINANCING

33.1 You will provide us with such information or documents that we request in order to comply with the anti-money laundering regulations and countering terrorist financing regulations and legislation in Singapore and the Isle of Man or any other relevant jurisdiction. We can only proceed with the allocation of Premiums or the payment of benefits when the information provided complies with the regulations and legislation. We can accept no responsibility for any delay or failure to carry out your instruction or request in such circumstances. If our requests for information and documents required under this Term are refused, we reserve the right to invoke Terms 20.2.9 and 20.2.10 to surrender the Policy.

34. INFORMATION TECHNOLOGY FAILURE AND FORCE MAJEURE

34.1.1 We will not be liable or have any responsibility for any loss or damage, fall in investment value or loss of investment opportunity incurred or suffered because of a delay or failure to perform our obligations when an event occurs that we could not reasonably control.

34.1.2 As examples, such events include:

- a. any act (or credible threat) of terrorism;
- b. acts of government, local authority or regulatory body;
- c. acts of God, explosion or fire, earthquake, extraordinary storm, flood, abnormal weather conditions or other natural catastrophe, radioactivity, sonic bangs, pollution, any nuclear, chemical or biological contamination or any strikes, lockouts or other industrial disputes (other than to the extent involving our workforce or other personnel);
- d. riot, civil unrest, commotion or rebellion, war or civil war (whether or not declared) or armed conflict, invasion and acts of foreign enemies, blockades, embargoes (including as to trade);
- e. an unavoidable accident;
- f. the loss of supply of essential services including but not limited to electrical power, telecommunications, air conditioning and essential third party services;

g. failure outside of our control of our information technology systems including those caused by network attacks, provided we have reasonable procedures in place by way of virus protection on our networks and a disaster recovery programme; or

h. any other cause beyond our reasonable control as a consequence of which we can no longer administer your Policy for a given period. These examples are illustrative and not exhaustive.

35. ASSIGNING YOUR POLICY TO SOMEONE ELSE

35.1 If you assign this Policy to someone else and we note and acknowledge the assignment or notice of such assignment, we accept no responsibility for the legality or effect of the transaction to which it relates.

35.2 If an assignment is not in respect of all of the Policies then we reserve the right to require that the Policy or Policies that are assigned are:

35.2.1 endorsed to show a new Policy number for administrative purposes; and

35.2.2 allocated to a new Portfolio Fund for the proportion of the value of the Portfolio Fund represented by those Policies.

35.3 We may terminate the Online Service Agreement if you are no longer a Policyholder of a Policy, for example if you have assigned all your rights and title to a Policy to someone else.

35.4 You must tell us if you assign your Policy as soon as the Policy has been assigned.

35.5 You should provide the new Policyholder (following an assignment) with a copy of the Policy terms and conditions or refer them to us to obtain a copy of the Policy terms and conditions.

35.6 It is the responsibility of the new Policyholder to determine whether they meet our definition of Professional Investor. The new Policyholder should read the Policy terms and conditions for the Silk Life Plan. In particular, the risks of investing in Assets which are suitable only for Professional Investors in accordance with Term 1.2.2.

36. THIRD-PARTY RIGHTS

36.1 Only you, or your legal personal representatives or assignees (including trustees where the Policy is subject to a trust), may enforce the terms of the Policy.

37. DEPOSIT INSURANCE AND POLICY OWNERS PROTECTION SCHEMES ACT 2011

- 37.1 This policy is protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact Utmost International or visit the GIA/LIA or SDIC web-sites (www.gia.org.sg or www.lia.org.sg or www.sdic.org.sg)

38. CHANGE OF COUNTRY OF RESIDENCE

- 38.1 You have an obligation to advise us immediately should your country of residence change, to enable us to comply with any laws and regulations imposed upon us in respect of the Policy.

39. RELEVANT LAW

- 39.1 By signing the Policy application form You acknowledge and accept that any dispute between You and us in respect of or relating to your Policy, howsoever arising, shall be governed exclusively by the law of Singapore. Further, You acknowledge and accept that the Courts of Singapore shall have exclusive jurisdiction to hear all disputes between You and us, whether or not concerning your Policy and howsoever arising.

40. COMPLAINTS PROCEDURE

- 40.1 Customer satisfaction is very important to us, but if you do have any cause to complain about the administration or service provided by us, in the first instance please write to the Complaints Team Manager at our Branch Office address.

If you are not satisfied with our response you can complain to either FIDReC or the Isle of Man Financial Services Ombudsman Service, or any successors.

Financial Industry Disputes Resolution Centre (FIDReC),
36 Robinson Road
#15-01
City House
Singapore 068877

Referral to FIDReC must be made within six months from the date you fail to reach agreement with us. Complaining to the FIDReC will not affect your legal rights.

The Financial Services Ombudsman Scheme for the Isle of Man (FSOS)
Thie Slieau Whallian
Foxdale Road
St John's
Isle of Man
IM4 3AS
British Isles

Referral to FSOS must be made within six years of the act or omission which led to your complaint. Complaining to the FSOS may affect your legal rights.

With effect from 1 April 2012, the maximum award limit paid by the Financial Services Ombudsman Scheme was increased to £150,000 for complaints where the act or omission occurs on or after

1 April 2012. The maximum award limit on other complaints remains at £100,000.

41. APPOINTMENT OF FINANCIAL ADVISER REPRESENTATIVE

- 41.1 The Financial Adviser Representative has been appointed by you to deal with your affairs and interests according to whatever terms you have agreed with them.
- 41.2 The Financial Adviser Representative is not acting on our behalf and does not represent us in any way, and we have no knowledge of what basis your Financial Adviser Representative acts on your behalf.
- 41.3 We are not responsible for any failure or breach in the relationship between you and your Financial Adviser Representative.
- 41.4 We may make payments (such as Commission for example if regulatory rules allow) to your Financial Adviser Representative in respect of your Policy, even though they are acting for you and irrespective of the nature of the relationship you have with them. Details of the amounts payable to your Financial Adviser Representative are available from your Financial Adviser Representative on request.

42. MINIMUM LIMITS AND CHARGES

42.1 The table shown in Term 42.3 below shows the minimum monetary values in the Terms. We have the right to change any or all of these monetary amounts on the advice of our Actuary. When reviewing such amounts we will consider any change year on year to the rate of Singapore inflation since the last amendment to the amount and any changes in the level of the administration expenses incurred by us which affect the contract and which are reasonable in amount and are reasonably incurred.

42.2 Please read the information in the table to the right with the relevant Terms so you can understand how the information is applied.

42.3

TERM	DESCRIPTION	VALUE		
		SG\$	US\$	GB£
3.1 3.12.5	Minimum Premium	1,500,000	1,000,000	750,000
3.11.1 3.12.5 7.6.5 10.12	Minimum additional Premium	300,000	200,000	150,000
6.1 20.3.13	Minimum Sum Assured: Life Cover Only	3,000,000	2,000,000	1,500,000
	Minimum Sum Assured: Life Cover Plus:	1,500,000	1,000,000	750,000
10.1	Minimum investment limit for transfers to an Authorised Custodian	100,000	75,000	50,000
10.12	Minimum Portfolio Fund Value	52,500	37,500	26,250
11.5.1 11.6.1 11.7.1	Minimum Stock and Shareholding, Bank Deposit, Collective Fund, value of Units or shares in any fund and value of Assets	10,000	7,500	5,000
16.1.1 16.2.4 16.4.3	Our minimum dealing amount for buying an Asset	10,000	7,500	5,000
20.3.1 20.4.1 20.5.2	Minimum value of a part surrender, Regular Withdrawal or Regular Withdrawal for Ongoing fees	5,000	3,750	2,500
22.6.1	Minimum value for a Policy or Cluster of Policies	20,000	15,000	10,000