

Polaris Portfolio Bond



Terms and Conditions

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Introduction

The Polaris Portfolio Bond is a linked long term insurance saving solution that helps you plan for a life full of possibilities. It has all the convenience of a lump sum saving vehicle, accessible from a low initial investment amount. The Polaris Portfolio Bond can be topped up when needed and can hold a range of investments designed to suit your aspirations. It can either be used as a stand-alone saving policy, for single or periodic lump sums, or can be used in conjunction with leading trust companies.

The Polaris Portfolio Bond aims to provide you with a flexible method of investing your money. The Polaris Portfolio Bond offers you the freedom to invest in a wide range of investments to allow your capital the opportunity to grow and offer you the option to take regular withdrawal(s) which may offer tax efficient benefits depending upon your personal circumstances.

Polaris Portfolio Bond is established as a life assurance policy and is structured as a cluster of individual policies to provide you with the most appropriate tax planning benefits to suit your needs.

Polaris Portfolio Bond is a whole of life contract and has a choice of having one or more lives assured to ensure the continuity of the policy. Polaris Portfolio Bond can be written on own life or life of another and is available on a single life, joint life first death or joint life last death basis. The policy allows for premiums to be invested into a range of investments. Providence accepts no responsibility or liability for the performance of the assets selected, including losses, damages or costs arising out of or in connection with Providence subscribing to or acquiring an interest in an investment within the policy.

The application form provides the requisite information on the applicant for their assessment as a potential policyholder. Once the applicant has been accepted and the policy issued, the welcome pack, which includes the policy schedule and the Polaris Portfolio Bond Terms and Conditions, forms the contract between the Company and the policyholder. These documents and any endorsements issued by the Company as well as any written statements made by the applicant/policyholders and/or the life/lives assured relating to the policy, if accepted by the company, evidence the terms and conditions of the contract.

The policyholder should analyse the policy to ensure that the cover meets their requirements and all accompanying documentation should be kept in a safe and secure place.

Any statements in this document that refer to "us", "we", "our", "Providence", "Company" or "Providence Life" means Providence Life Limited, PCC. "You" or "your" refers to the policyholder/applicant/owner of the policy.

Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural includes the singular, and the neutral gender includes the masculine and the feminine.

Definitions

Accrued Charges: Charges that are due, but cannot be currently met, because of insufficient cash in the policy to settle the charges.

Additional Investment Amount: Any subsequent amount(s) received from you and applied to the policy after the initial investment amount.

Additional Services: Any additional administrative actions performed by the Company, which it reserves the right to charge for.

Allocation Rate: The percentage applied to the initial investment amount or additional investment amount(s) in order to determine the amount to be allocated to the policy.

Annual Valuation Statement: The document issued every year on 31 December, which confirms the transactions that have taken place within your policy and its value as at the valuation date.

Appointed Actuary: A suitably qualified actuary appointed by Providence in accordance with Mauritius law.

Assignment: The transfer of ownership of the policy, which is evidenced by a Deed of Assignment.

Beneficiary: A nominated individual or trust that receives, or may become eligible to receive benefits under the policy.

Business Day: Any day on which clearing banks in Mauritius are open for normal banking business.

Capital: The investment value that you are able to withdraw from your policy.

Cash Account: The cash account is used to allow us to buy or sell investments linked to your policy, pay withdrawal(s) and debit any fees and charges due. The cash account is denominated in policy currency.

Company: Providence Life Limited, PCC ("Providence").

Cooling-Off Notification Form: This is the form contained within the welcome pack that you must complete and return to providence if you change your mind about taking out the policy.

Currency Dealing Fee: A fee levied by the Company to cover the costs incurred by us in converting any sum from one currency to another for a transaction.

Custodian: The custodian is legally responsible for ensuring that assets and their associated records, electronic or physical, are kept safe and secure.

Custody Charge: A charge incurred per investment acquisition to cover the costs associated with the safekeeping of linked investments. This is set out in policy schedule A.

Dealing Charge: A charge levied by Providence each time an instruction is made by the policyholder, to buy or sell, an investment.

Dealing Day: The day investments are available to be bought or sold.

Death Benefit: The death benefit is the policy value plus 1% of the policy value. If paid, the policy will terminate.

Discretionary Asset Manager: Discretionary Asset Management ("DAM") is a form of investment management in which buy and sell decisions are made by a portfolio manager or investment counsellor for the policyholder's account. The term "discretionary" refers to the fact that investment decisions are at the portfolio manager's discretion.

Early Encashment Charge: A charge taken to recoup any outstanding establishment charge(s) - also see schedule A and schedule B.

Encashment Value: The policy value net of all fees and charges, as detailed in the Polaris Portfolio Bond Terms and Conditions.

Endorsement: A document issued to the policyholder when a change has been made to the policy.

Equities: Refer to the documents that denote ownership in a particular company, called stock or share certificates. Equities may also referred to as stocks and shares.

Establishment Charge: A charge incurred for the establishment of the policy based upon the initial investment amount and any additional investment amount(s). This charge is deducted quarterly in arrears from the cash account and dependent on when you took your policy, may be detailed in policy schedule A or B.

Establishment Charge Period: The number of years (five (5), eight (8) or ten (10)) over which the establishment charge(s) are deducted. A new establishment charge period applies for each additional investment amount(s).

Establishment Charge Premium Tiers: The applicable establishment charge premium tier that applies to the policy is based on the cumulative total of the initial investment amount, and dependent on when you took your policy, may be detailed in policy schedule A or B.

Exchange Traded Fund: An Exchange Traded Fund ("ETF"), is a marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund. Unlike mutual funds, an ETF trades like a common stock on a stock exchange.

External Investments: Investments managed by third-party asset managers.

FATCA: Means sections 1471 to 1474 of the US Internal Revenue Code of 1986 (the "Code") or any associated regulations or other official guidance by the U.S. Internal Revenue Service (the "IRS") or other U.S. or other government agencies and shall include all treaties, governmental agreements or other laws or regulations of other jurisdictions to facilitate the implementation of FATCA.

FATCA Deduction: Means the deduction of a payment from the policy required under FATCA.

Financial Adviser: The person appointed by the policyholder to advise on the Polaris Portfolio Bond. The financial adviser works only on behalf of the applicant/policyholder and the Company is not responsible for the advice or services that the policyholder receives from them. Financial advisers may or may not be licensed by the Mauritius Financial Services Commission.

Fixed Policy Fees and Charges: These are fees and charges that will apply to all policies.

Initial Investment Amount: The first amount of money that the Company receives from you and may be referred to from time to time in the terms and conditions as "premium".

In Specie Transfer: Transfer of ownership of assets from one person/company/entity to another company/entity in its current format, without the need to convert the assets to cash.

Investment: Any type of asset, including but not limited to mutual funds, fixed interest, cash, structured notes, stocks, shares and exchange traded funds that are allowable under regulation and acceptable to us. The Company reserves the right to decline an investment.

Investment Adviser: The party appointed by the policyholder to advise on the selection of investments with the appointment being acknowledged by the Company. Investment advisers may or may not be licensed by the Mauritius Financial Services Commission.

Investment Exit Charges: Charges that may be applied upon exiting an investment by the investment manager. This is not the Company's charge. If exit charges are applicable, they will be stated on the investment fact sheet that you may access through your chosen investment adviser.

Investment Holding Charge: A variable % fee levied by Providence for the administration of your selected investment choice and calculated on the total value of the asset held. This charge is taken quarterly in arrears. This is set out in policy schedule B.

Investment Manager: The person or institution responsible for making decisions related to any portfolio within an investment in accordance with the published objectives of the investment.

Investment Prospectus: The documents provided by external investment managers in relation to their investments.

Investment Value: The total market value of all investments held within the policy based on the latest available market price and exchange rates (if appropriate).

Joint Life First Death: The death benefit will be paid on the death of either of the lives assured that is the first to die.

Joint Life Last Death: The death benefit will be paid on the death of both lives assured, i.e., when both lives assured have died.

Life Assured: The person or persons insured by the policy on whose death the death benefit becomes payable. The policy is available on a single life or joint life basis. If there are two lives assured, the policyholder has the option at outset to specify if the death benefit is payable on the death of the first or last of the nominated life/lives assured.

Market Price (Bid): The latest available price at which a particular unit of an investment is valued by the Company.

Minimum Additional Investment Amount: 10% of the minimum initial investment amount (or currency equivalent).

Minimum Initial Investment Amount: The minimum initial investment amount is GBP 40,000 (or currency equivalent).

Minimum Policy Value: The minimum policy value is GBP 6,000 (or currency equivalent).

Minimum Withdrawal Amount: The minimum withdrawal amount is GBP 300 (or currency equivalent).

Minor: A person under the age of 18.

Mutual Fund: An investment vehicle made up of a pool of monies collected from investors for the purpose of investing in equity and debt securities known as its portfolio. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

Polaris Portfolio Bond Application Form: The application form used to collect your personal data that is used by the Company to assess your application for a Polaris Portfolio Bond. This document may be referred to as the application form from time to time.

Policy: The contract and the basis of the contract between the policyholder and the Company made up of the following:

- The application form as completed by the policyholder(s) and life/lives assured;
- The terms and conditions which contain the standard policy terms;
- The policy schedule and any subsequent endorsements issued by the Company;
- Any written statements in relation to the policy, made by the policyholder(s) and/or the life/lives assured, which may reasonably affect the basis of the contract and which are accepted by the Company; and
- Notifications of changes and all endorsements to the terms and conditions issued by the Company.

Policy Anniversary: The anniversary of the policy commencement date.

Policy Commencement Date: The date shown on the policy schedule representing the start of the policy.

Policy Currency: The policy currency is the default reporting currency and is agreed at policy commencement. This cannot be changed.

Policyholder: The legal owner(s) of the policy.

Policy Schedule: The document issued by the Company at the policy commencement date, or the latest revised version and any endorsements which set out specific details forming part of the policy or additional terms and conditions that apply to your policy, which may also include details about your policy charges including the establishment charge and other charges.

Policy Value: The investment value of the policy net of all external investment exit charges.

Policy Year: The period of twelve (12) consecutive months beginning on the policy commencement date or any policy anniversary.

Premium: An alternative word used to describe money sent to the Company that you wish to be invested into your policy.

Quarterly Administration Fee: A fee deducted quarterly in arrears to cover the cost of administering the policy.

Regular Withdrawal: Regular amounts encashed from the policy at the request of the policyholder.

Relevant Death:

- For a single life policy, the death of the life assured.
- For a joint life first death policy, the death of the first of the two lives assured to die.
- For a joint life last death policy, the death of the last surviving life assured.

Structured Note: A structured note has two underlying pieces: a bond component and a derivative component. The bond portion of the note takes up most of the investment and provides principal protection. The rest of the investment not allocated to the bond is used to purchase a derivative product. The derivative portion is used to provide exposure to any asset class.

Sub Fund: A sub fund is a form of collective investment vehicle where premiums are pooled with other investments, typically a sub fund may invest in equities, fixed income securities, unit trusts, investment trusts, open-ended investment companies, life funds, currency funds, selective derivatives and transferable securities or may be any of these. A sub fund(s) may also be referred to as "fund(s)" throughout this document.

Sum Assured: The sum assured is equal to the policy value.

Terms and Conditions: The policy terms and conditions as set out in the contractual documentation, which may be amended from time to time.

Trading Costs: All commissions and other expenses related to the trade of an investment.

Valuation Date: The date on which the policy is valued which is at least once each calendar year.

Variable Policy Fees and Charges: These are the fees and charges that may apply depending on your policy activity.

Welcome Pack: This contains a welcome letter, the policy schedule, terms and conditions, Cooling-Off Notification Form and an appointment of beneficiary form, which will be sent to the policyholder upon commencement of the policy.

Whole of Life Policy: A policy of life assurance with a commencement date but no defined maturity date into which premiums can be paid.

Withdrawal(s): An amount of money withdrawn from the policy.

You/Your: The policyholder.

1. Eligibility

- 1.1 An individual or a company can apply for this product. The policy may provide life cover on policyholders as life/lives assured, or others on whom they can legally take out an assurance policy.
- 1.2 The minimum age for policyholders and life/lives assured at commencement is nineteen (19) next birthday. The maximum age for policyholders and life/lives assured at commencement, is eighty six (86) next birthday.
- 1.3 The maximum number of policyholders is two (2) and the maximum number of lives assured is two (2).
- 1.4 Polaris Portfolio Bond can be written in one (1) to twenty (20) segments. Each contract exists as a single policy that can invest in a range of investments.
- 1.5 Polaris Portfolio Bond ineligible applicants and ineligible life/lives assured:
 - 1.5.1 Residents of Mauritius;
 - 1.5.2 Mauritius nationals;
 - 1.5.3 Non-resident United States taxpayers;
 - 1.5.4 United States tax residents; or
 - 1.5.5 United States citizens.

If you become a non-resident United States taxpayer, a US tax resident, or a US citizen, you are required to inform the Company in writing immediately. Thereafter, we will advise you of the options available to you, which may include encashing the policy in accordance with the full encashment procedures, see Section 21.

2. Selection of the Policy

- 2.1 The policyholder acknowledge and accept that it is the overall responsibility of the policyholder taking into account the desired investment objectives and attitude to risk to ensure that the Polaris Portfolio Bond is the appropriate product.
- 2.2 The Company accepts no liability and is not responsible for any decrease in the value of the policy and does not have responsibility, actual or apparent, for the management of the underlying investment held within the policy.
- 2.3 The policyholder may select and appoint an investment financial adviser/investment adviser to assist and advise on making investment decisions relating to the policy subject to the agreement of the Company at its discretion. If such an adviser is selected by the policyholder, this selection is on the express understanding that the policyholder retains and holds full responsibility for any acts and/or omissions of the adviser. Financial advisers and Investment Advisers may or may not be licensed by the Mauritius Financial Services Commission.
- 2.4 The policyholder is solely responsible for satisfying themselves as to the tax treatment, if applicable, which may arise out of any income or proceeds received from the investments based on their personal circumstances.

3. Investment Amounts

- 3.1 Minimums
 - 3.1.1 The minimum initial investment amount by currency is shown below in Table 1. There is no maximum initial investment amount. These minimums are subject to revision from time to time at the Company's discretion, see Section 25.
 - 3.1.2 For an initial investment amount above a certain level, (including combined total investment amount(s) from and not limited to any additional investment amount(s), or purchasing an additional policy from the company), Origin of Wealth and Source of Funds documentation may be requested and must be received by the Company prior to the policy commencement, or the additional investment amount(s) being invested.

- 3.1.3 The minimum additional investment amount is one tenth of the minimum initial investment amount. These minimums are subject to revision from time to time at the Company's discretion.

Table 1 – Minimums		
Currency	Minimum Initial Investment Amount	Minimum Additional Investment Amount
AUD	72,000	7,200
CHF	56,000	5,600
EUR	48,000	4,800
GBP	40,000	4,000
JPY	6,400,000	640,000
USD	60,000	6,000

3.2 Currencies

The policy can be denominated in one of six currencies – Australian Dollar (AUD), British Pound (GBP), Euro (EUR), Japanese Yen (JPY), Swiss Franc (CHF), or US Dollar (USD). The policy currency cannot be changed during the life of the policy. The underlying investments into which contributions are allocated can be denominated in different currencies to the policy currency.

4. Allocation of Investment Amounts

- 4.1 Following confirmation of payment receipt from the Company's bank, any premiums are normally credited to the policy on the next available business day. Upon receipt of investment amounts, Providence will convert all monies received to the policy currency.
- 4.2 The allocation of the initial investment amount and any subsequent additional investment amount(s) that you wish to pay will be allocated at 100% to the cash account. Any extra allocation (over 100%) will be funded proportionately from the commission amount forgone by your financial adviser firm. Once monies have been received in the cash account, any applicable fees and charges will be deducted and subsequently any investment instructions received by the policyholder will be executed.
- 4.3 Where premiums are denominated in currencies that differ from that of the selected investments, these will be converted at a commercial rate of exchange. You may request confirmation of the rate of exchange from us.

5. Premium Payment

The money to be invested in your policy can only be paid by electronic transfer and the policyholder must meet any costs related to the payment.

6. Death Benefit

- 6.1 The death benefit is the policy value plus 1% of the policy value, after which the policy terminates. The policyholder is not normally charged for this benefit. The Company reserves the right to conduct underwriting procedures at its discretion before providing cover, or accepting an application.

- 6.2 The death benefit will be paid when the required documentation in support of a valid claim has been received and verified by the Company and all investments have been sold. The documentation required is the original policy schedule, any revised policy schedule(s), any endorsements, the death certificate, evidence of age unless it has already been provided and, if/as necessary, a medical or other official certificate documenting the cause of death and the start/history of the illness that caused death. Any assignments or beneficiary documentation, including trust deeds, which have not previously been provided to our business address, will also be required. In order to verify the claim, the Company may also require the provision of additional evidence and/or to make further enquiries of its own, the cost of which is the responsibility of the claimant.
- 6.3 The company reserves the right to deduct all outstanding fees and charges payable on the policy prior to the settlement of a death claim.
- 6.4 Interest will not be paid if, for example, there is a delay in the settlement of a death claim.
- 6.5 A completed death claim form and supporting documentation will be required before the payment can be issued.
- 6.6 The death benefit will be paid in the policy currency but can be converted to another at commercial exchange rates available to us at the time of request, the cost of which will be borne by the beneficiary and will be deducted from the policy proceeds. On settlement of the claim, the policy terminates and the Company's liabilities cease.
- 6.7 Notwithstanding anything stated to the contrary in the policy schedule or the policy terms and conditions, our liability under the policy shall not exceed the return of all premiums received less a market level adjustment and any expenses incurred by us in issuing the policy if the relevant death occurs as a result of the following:
 - 6.7.1 The life assured commits suicide (whether sane or insane at the time) within the first policy year or within one year of any increase in contributions; or
 - 6.7.2 The death of the life assured results from any injury or condition resulting directly or indirectly from war, hostilities (declared or not), invasion, rebellion, revolution, civil war or active participation in a riot, civil commotion or uprising.

7. Life Assurance Basis

The policy is issued on either a single life or joint lives (first or last death) basis.

8. Risk

The nature of a policyholder's entitlement is a contractual claim under the policy against the Company relating to the value of the underlying investments subject to the policy terms and conditions from time to time. The policyholder has no entitlement to the underlying investments themselves and all rights attaching thereto are the property of the Company and exercisable by it in its discretion. The policyholder owns the policy and is responsible for the payment of premiums and for the investments selected under the policy. This means that the policyholder bears entirely the investment risk for the underlying performance of the investments selected, not the Company. The policyholder is reminded that the value of investments can go up and down. As well as investment performance, the policyholder should also be aware that exchange rate fluctuations may also affect the value of the policy.

9. Investments

- 9.1 General
 - 9.1.1 The Company may round any pricing calculation by a minimum of three decimal places.
 - 9.1.2 The policy can be invested in a range of investments which may include mutual funds, cash, fixed interest, structured notes, exchange traded funds, and equities.
- 9.2 Pricing
 - 9.2.1 The price of an investment is calculated once a day based on the closing market prices of the securities in the portfolio. All buy and sell orders are processed at the market price on the trade date, however, policyholders must wait until the trade price is available to the Company.
 - 9.2.2 Prices may be suspended or later prices might be used if for any reason we consider it to be impractical or inequitable to acquire, value or to dispose of any investment. During this time, Investments cannot be allocated to the policy and no benefits can be paid from the investment.

- 9.2.3 The price used for full encashment, partial encashment and death claims is the market price on the next dealing day after correct notification and documentation has been received. The price used for regular income payments is the last available market price prevailing on the date that the income payment is processed.
 - 9.2.4 In the case of substantial transactions between different investments, or in times of market volatility, the Company reserves the right to delay investments from switches until we have received the settlement proceeds.
 - 9.2.5 The Company reserves the right to defer or restrict an investment where in its discretion, it considers it necessary, or desirable, in order to protect the other Providence policyholders who have invested in this asset.
 - 9.2.6 Where a policyholder switches investments and both the donor and recipient investments are daily trading, the switch statement for each transaction will reflect the prices available on the next available, or following dealing day. In practice, investment into a recipient investment will usually only be processed once the settlement value of the donor investment is known and will be made at the next available market price.
 - 9.2.7 The Company will endeavour to transact all dealing instructions received before 3:00 pm Mauritius local time each business day, and reserves the right to apply an earlier cut-off time.
 - 9.2.8 The policy does not confer upon the policyholder any right, title to, or interest in any investment, or to the underlying investment represented thereby.
- 9.3 Closure of Investments
- 9.3.1 The Company reserves the right under exceptional circumstances to close any investment at our absolute discretion.
 - 9.3.2 In the event of such closure, the Company will endeavour to give the policyholder three (3) months written notice.

10. Investment Selection

- 10.1 The policyholder may instruct us which investments their premiums are to be invested into. The policyholder is responsible for the selection of these investments and all risks attached to these investments, including credit and default risk.
- 10.2 Providence will allow any type of investment, underlying fund or structured product that is allowable under regulation and that is acceptable to us. This may include but is not limited to mutual funds, fixed interest, cash, structured notes, equities, exchange traded funds used for the purpose of producing income and/or capital gains. Investment selection may be subject to an additional charge as shown in your policy schedule.
- 10.3 The Company will not be liable for losses resulting directly, or indirectly, from the liquidation, bankruptcy or insolvency of any investment issuer.

11. Investment Risks

The policyholder acknowledges that:

- 11.1 The investment risk is borne entirely by the policyholder; and
- 11.2 They are responsible for their own investment decisions and the Company does not undertake to provide specific information on any investment, nor do we provide investment advice, which should be sought from your own financial adviser/investment adviser.

12. Dividends and Coupons on Investments

- 12.1 If a dividend, or coupon payment, is received from an investment attributable to the interests under a policy, it is processed by the Company by the addition of cash, using the price specified in the dividend, or coupon notification to the Company.
- 12.2 Dividends and coupons are normally paid net of any withholding taxes and will normally be applied on receipt of the declaration by the Company.
- 12.3 If the policyholder initiates a switch between the declaration and the payment dates, the value of the dividend or coupon, will be applied in the form of cash.

- 12.4 In the event of full encashment or a death claim between the declaration and payment dates, only dividend and coupon payments of more than GBP 100 (or currency equivalent) will be forwarded to the policyholder/beneficiary. Any lesser amounts will be retained by the Company.

13. Switching of Investments

- 13.1 The policyholder can alter the investments to which the policy is linked, subject to the permissible external investment amounts. The switch will take effect on the next available dealing day.
- 13.2 In the event of multiple new investment selections, the policyholder is required to indicate the proportion to be applied to each new investment.
- 13.3 Switches from and into external investments are processed using the next available market price.
- 13.4 The Company may delay the purchase of a newly selected Investment at its discretion.
- 13.5 Investment selection may be subject to an additional charge as shown in your policy schedule.

14. Third-Party Charges Levied on Investments

The charges that apply will depend on the investments chosen for your policy, the investment manager, their valuation currency, country of origin and dealing requirements. Charges can include, but are not limited to, initial charge and annual management charges, performance fees and exit fees. These are external charges and not attributable to the Company 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. These charges are detailed on your chosen investment fact sheets which are issued by the asset manager and should be given to you by your financial adviser. Please speak to your adviser for details.

15. Fees and Charges

All fees and charges detailed in this section will be shown as separate entries on your annual valuation statement.

- 15.1 Cash Account
- 15.1.1 We use a cash account denominated in your policy currency to allow us to buy or sell your chosen investments, linked to your policy. We also use it to deduct the fees and charges, so that you do not need to sell existing policy investments. The cash account will be used to:
- Pay the fees and charges shown in your policy schedule;
 - Pay any other fees or charges applied under the terms and conditions of your policy.
- 15.1.2 2% of your initial investment amount and any subsequent additional investment amount(s) will be held in the cash account to cover the fees and charges due. Any investment within the cash account is non-interest bearing.
- 15.1.3 If the amount held in the cash account is not sufficient please refer to Section 15.13 for further details.
- 15.1.4 Monies within the cash account(s) are held on deposit with our custodian. We will not compensate your policy if the cash account(s) becomes Insolvent as a result of our custodian being unable to meet its liabilities for any reason.

Fixed Policy Fees and Charges

- 15.2 Quarterly Administration Fee
- A fee of AUD 171, CHF 133, EUR 114, GBP 95, JPY 15,200 or USD 142.50 is deducted quarterly in arrears from the cash account. It is taken at the end of the first policy quarter, and every quarter thereafter for the duration of the policy.

- 15.3 Establishment Charge(s)
- The establishment charge is taken quarterly in arrears and is deducted from the cash account. The initial charge is taken at the end of the first policy quarter and at the end of every policy quarter thereafter, for the term of the establishment charge period you have selected.
- There is no refund, or proportionate refund, of the establishment charge(s).
- Each additional investment amount(s) has a specifically defined establishment charge period, with the corresponding establishment charge(s) taken from the next quarterly fee date and quarterly thereafter until the end of the corresponding establishment charge period.
- 15.4 Establishment Charge Premium Tiers
- The establishment charge premium tier is determined upon receipt of the initial investment amount. The policyholder(s) can qualify for reduced establishment charge(s), if subsequent additional investment amount(s) results in the cumulative initial and additional investment amount(s) crossing into a higher establishment charge premium tier. Policyholders cannot switch between establishment charge period(s) at anytime.
- For application signed before 15.4.22 policy schedule A will apply. For policies signed after this date, policy schedule B will apply - your policy illustration will also be clearly marked with policy schedule B.
- 15.5 Early Encashment Charge
- If, within the establishment charge period, the policyholder requests to encash the policy, or makes a withdrawal(s) that exceeds the limits as specified in section 19, then an early encashment charge will apply. This charge equals the remaining Establishment Charge(s) not yet deducted at the point of full encashment.
- For application signed before 15.4.22 policy schedule A will apply. For policies signed after this date, policy schedule B will apply - your policy illustration will also be clearly marked with policy schedule B.
- 15.6 Dealing Charge
- 15.6.1 A dealing charge of AUD 45, CHF 35, EUR 30, GBP 25, JPY 4,000 or USD 37.50 applies for the purchase and sale of each individual Investment.
- 15.6.2 From 15.4.22 the purchase and sale of mutual funds available on our core fund platform will be free and the list of such mutual funds is available on the fund portal in the policyholder secure login of the Company website.
- 15.7 Custody Charge
- For applications signed before 15.4.22 the Custody Charge shown in policy schedule A will apply.
- For policies signed after this date, an investment holding charge shown in policy schedule B will apply - your policy illustration will also be clearly marked with policy schedule B.
- 15.8 Currency Dealing Fee
- A fee levied by the Company to cover the administration costs associated with converting any sum from one currency to another. This transaction may incur two currency dealing fees, one for the conversion of the investment currency to the denominated policy currency (if different) and a second from the denominated policy currency to the investment currency (if different). These fees will be deducted from the amount available for the transaction. The fee is 0.15% of the transaction amount.
- 15.9 The Company will pay your chosen financial adviser firm commission up to 7% of the initial investment amount and any additional investment amounts received. Any extra allocation of your investment amount (over 100%) will be funded proportionately from the commission amount forgone by your financial adviser firm.
- All commission amounts are funded by the fees and charges that you pay for this Polaris Portfolio Bond.
- The fees and charges associated with the Polaris Portfolio Bond are reflected in the Polaris Portfolio Bond Terms and Conditions document.

15.10 Discretionary Asset Manager

For policyholders who wish to appoint a Discretionary Asset Manager ("DA"), the Company will administer this facility upon our approval. A set-up fee of AUD 270, CHF 210, EUR 180, GBP 150, JPY 24,000 or USD 225 will be charged upon appointment and acceptance of the DAM. This will show as a separate entry on the policyholder's annual valuation statement. An additional fee will be levied of AUD 180, CHF 140, EUR 120, GBP 100, JPY 16,000 or USD 150 should the Company receive a request to change the third-party DAM on a policy at any time. New DAM investments are conditional upon acceptance by Providence and are by agreement with Providence and additional fees and charges will apply.

15.11 Change of Financial Adviser Firm

A fee will be levied of AUD 180, CHF 140, EUR 120, GBP 100, JPY 16,000 or USD 150 when the Company receives a request to change the nominated financial adviser firm on a policy.

15.12 Interim Request for a One-Off Valuation Statement

An annual valuation statement will be issued to the policyholder. Any additional valuation statements are available on request and will be charged at AUD 180, CHF 140, EUR 120, GBP 100, JPY 16,000 or USD 150 per statement.

Providence offer online valuations for all policyholders via the Company's website, 365 days a year free of charge.

15.13 The Company reserves the right to charge for specific additional administrative services that may include, but are not limited to the following:

- Change of investment adviser firm
- Change of policyholder(s)
- A fee will be levied of AUD 180, CHF 140, EUR 120, GBP 100, JPY 16,000 or USD 150 when the Company receives a request to change the nominated investment adviser firm on a policy.
- A fee will be levied of AUD 180, CHF 140, EUR 120, GBP 100, JPY 16,000 or USD 150 when the Company receives a request to change the policyholder on a policy.

15.14 Accrued Charges

15.14.1 If there is insufficient value in the cash account to cover the fees or charges due, a debt is created equal to the value of the outstanding charges, which it has not been possible to deduct. The equivalent amount of any outstanding debt will be deducted in Units (or on surrender or lapse if earlier) within thirty (30) days of when the charges were due:

- Where an investment adviser has been appointed, the adviser should decide which investment(s) will be sold to meet the charges; or
- Where an investment adviser has not been appointed, the policyholder should decide which investment(s) to sell. If the policy remains overdrawn for more than ninety (90) days, the Company reserves the right to sell, at its discretion, investments from the policy to clear the amount outstanding.

Although the accrued charges are cumulative, they will appear on the valuation statement as a single entry against the policy.

AUTO DISINVEST PROCESS:

- If the debt is not cleared within thirty (30) days of its creation, then automatically disinvest.
- Disinvest amount is 2% of the total policy holdings excluding structured products.
- If 2% of an asset in the policy holdings is less than the dealing charges applicable on the policy then that asset will be excluded from disinvestment.
- All proceeds from the disinvestment are put onto the policy currency cash fund to clear the debt on the policy.
- After the funds have been disinvested. If a further plan debt is created on the policy, then this process is repeated with the auto disinvestment of policy holdings. If a debt cannot be cleared through auto disinvestment, the debt will remain on the policy and accumulate interest as per the terms and conditions.

- 15.14.2 In the event that Providence do not recoup charges through unit deductions as outlined in 15.13.1, the Company reserves the right to charge policy overdue. The Company reserves the right to charge policy overdraft fees for the period in which unpaid charges are due on the policy. An interest charge of no less than LIBOR + 5% annually will be applied to the total amount of charges outstanding, and will be calculated on a daily basis, based on the number of days that outstanding charges are/were due.

Example:

Accrued Charges x (Interest Rate ÷ number of days in the year) x number of days in debt.

Accrued Charge of GBP 350 was created on 1 February, it is shown on the next calendar quarter of 1 April (58 days). Therefore the interest rate calculation is: **GBP 350 x (5% ÷ 365) x 58 = GBP 2.78 interest.**

16. Optional Third-Party Service Charges

- 16.1 The policyholder may from time to time choose to have additional services supplied by a third-party, but paid from the policy in arrears.
- 16.2 The Company will require receipt of the documentation confirming the agreement of the policyholder and the third-party to such services, detailing the payment to be made.
- 16.3 As a payment to a third-party, the Company must receive all appropriate documentation required to satisfy the prevention of money laundering regulations, prior to agreeing to make, or making any such payment.
- 16.4 The Company at its absolute discretion reserves the right to decline to make such a payment to a third-party.

17. Discretionary Asset Manager

- 17.1 You may appoint a discretionary asset manager to your policy who will be responsible for selecting the investments linked to your policy. Where a discretionary asset manager is appointed your policy schedule will be endorsed.
- 17.2 At all times, the appointment of any discretionary asset manager will be subject to our acceptance. Both you and your discretionary asset manager will be required to sign an appointment of discretionary asset manager form.

18. Benefits Payable Under the Policy

- 18.1 Benefits payable under the policy will be made via electronic transfer. Before payment is made, the Company will request proof of entitlement, together with a certified copy of identification, address, and any other supporting documents we may require to complete that transaction and adhere to our regulatory obligations.
- 18.2 When it is necessary to convert any amount denominated in one currency to any other currency, the Company will make the conversion at a rate of exchange available from its bankers at the time when the said conversion is effected.

19. Withdrawal(s) from Policy

- 19.1 Withdrawal(s) requests should be made in writing. An original signed request must be received and accepted by the Company, with the requested sum to be withdrawn, exceeding the minimum withdrawal amount.
- 19.2 During an establishment charge period, policyholders may withdraw up to 85% of the initial investment amount or additional investment amount(s), contingent upon the investment value being greater than 15% of the associated premium. Outside of an establishment charge period, withdrawal(s) may be made contingent upon the investment value remaining above the minimum policy value of AUD 10,800, CHF 8,400, EUR 7,200, GBP 6,000, JPY 960,000 or USD 9,000.
- 19.3 The payment is made from the cash account. If there is insufficient cash available, the policyholder can select the specific investment(s) to be encashed and moved into the cash account.
- 19.4 Payments will be made by electronic transfer in the policy currency, but can be converted to another currency on request, at commercial exchange rates available to us at the time of the payment. The policyholder must meet the cost of any currency conversion and any bank charges incurred in the making of the payment.
- 19.5 The policy will remain in force until the policyholder wishes to encash the policy, or such time that the policy value falls below the minimum of AUD 10,800, CHF 8,400, EUR 7,200, GBP 6,000, JPY 960,000 or USD 9,000 or upon the death of the life/lives assured.

20. Regular Income Facility

- 20.1 Regular income payments can be made monthly, quarterly, half-yearly or yearly in arrears, but irrespective of frequency, each withdrawal(s) must meet the minimum withdrawal amount. The amount of income can be expressed as either a fixed sum, or percentage of the investment amount(s) processed.
- 20.2 In the event that a regular withdrawal(s) request has been submitted and the Company increases the minimum withdrawal amount in excess of an existing request, the Company will write to the policyholder three (3) months in advance, to advise of the revised minimum and request that the policyholder increase their withdrawal(s) request amount.

21. Full Encashment of Your Policy

- 21.1 Full encashment can take place at any time.
- 21.2 Encashment of the policy will take place, following receipt by the Company of a written request from the policyholder, together with the original policy schedule, any revised policy schedule(s) and endorsements, at our registered address in Mauritius. If the policy is held in trust, or has been assigned, the Company may request sight of the original trust documents, or Deed of Assignment.
- 21.3 The Company will endeavour to sell units at the earliest opportunity using the prevailing market price and proceeds remitted within twenty (20) business days of receipt of proper notification. Delays may occur if, for example, the next pricing date of any investment is more than twenty (20) days away, if there is a delay in proceeds being remitted to the Company, or where we have yet to satisfy the regulatory anti-money laundering requirements.
- 21.4 In exceptional circumstances, such as extreme stock market conditions, or where deemed necessary or desirable, at our discretion, in order to protect the interests of other policyholders, policy encashment may be delayed.
- 21.5 Any payment that is made, is made by default, in the currency in which the policy is denominated (but can be converted to another currency on request at commercial exchange rates available to us at the time of request) and will be paid by electronic transfer. The policyholder must meet the cost of this payment.
- 21.6 The encashment value is calculated as follows:
- The cash value of all investments;
 - Less all accrued charges;
 - Less early encashment charges;
 - Less any outstanding charges shown in policy schedule A or B;
 - Less all other additional expenses including those related to third-parties such as trusts or investment advisers.
- 21.7 The exact amount of the encashment value will not be known until all the investments are sold.
- Example** - What your policy could pay at full encashment (please note that example is for illustration purposes only)
- **Investment Value = GBP 100,000**
 - **Investment Exit Charges = GBP 2,000**
 - Policy Value = GBP 98,000 [Investment Value – investment Exit Charges]
 - Less any Accrued Charges = GBP 1,000
 - Less Early Encashment Charges = GBP 3,000
 - **Encashment Value = GBP 94,000**
- 21.8 Once the policy is encashed it is terminated and the policyholder has no further rights to benefits, or options, under the policy.

22. Valuation Statements

- 22.1 The policyholder is entitled to one hard copy annual valuation statement per annum.
- 22.2 The valuation statement that is available through our website at all times will show the number of investments held valued at market price (bid) in the currency of the underlying investment, then converted at a commercial rate into the policy currency.
- 22.3 All fees and charges deducted from the policy will be detailed on your annual valuation statement.
- 22.4 Subsequent valuation statements are available on request, but would normally be accessed via the Company's website 365 days a year.

- 22.5 Should a policyholder require valuation statements to be produced in hard copy, more than once a year, the Company reserves the right to make a charge for this service.
- 22.6 Each policy is valued on 31 December each year, or the next business day. The Company can, however, value the policy at any other time upon request and the latest valuation will be available on the Providence website. The policy will also be valued when a request is received for a withdrawal(s), or when the policy is encashed.

23. Beneficiaries

- 23.1 The policyholder may nominate, or change, one or more beneficiaries using an Appointment of Beneficiary Form at any time throughout the life of the policy. The nominated beneficiary(s) will then be the person(s) or entity entitled to the death benefit under the policy. Any initial nomination, or subsequent change, will be recorded by the Company. Changes will take effect from the date the policyholder signed the request, however, the Company will not be liable for any payment made, or actions taken, between this date and the date the change is recorded by us.
- 23.2 The original policy schedule is not required to effect either a nomination, or change of beneficiary.
- 23.3 If the policyholder is deceased, but is not the life assured, ownership of the policy will be transferred to the policyholder's estate. It is the responsibility of the relevant beneficiary and/or their legal advisers to provide proof of title to the policy.
- 23.4 In addition, if the policyholder is the deceased life assured and no beneficiary has been named on the policy, the person(s) claiming the benefit on behalf of the estate will need to provide proof of title to the proceeds of the policy. If no beneficiaries are assigned to the policy, the laws of Mauritius will prevail.
- 23.5 If no beneficiary is alive to receive the death benefit when payable, the policyholder, or their estate, will become the beneficiary. It is the policyholders and/or their advisers' responsibility, or that of the policyholder's estate, to ensure the Company is provided with the appropriate proof of title to its satisfaction.

24. Assignments

- 24.1 The policyholder can assign legal ownership of the policy or segment(s) to another party at any time. It is not normal practice for the Company to acknowledge an Assignment of a policy, unless there are mitigating circumstances, for example, where a commercial arrangement such as a mortgage can be evidenced, but any such Assignments will be subject to all the Company's anti-money laundering requirements.
- 24.2 The formal document that transfers the legal ownership is known as a Deed of Assignment. Notice of any assignment of the policy must be given in writing to our business address and the Company require sight of either, the original, or a certified copy of the Deed of Assignment before any assignment can be noted.
- 24.3 Once the transfer has been completed and noted in the Company's records, the assignee becomes entitled to the benefits of the policy. As a result, future transactions on the policy will only be processed by the Company, if written instructions have been received from the assignee.
- 24.4 Instruction received from another party will be referred to the assignee before any action is taken by the Company.
- 24.5 The Company accepts no responsibility for either the legality, or sufficiency, of any assignment.

25. Changes to the Terms and Conditions

The responsibilities of the Providence appointed actuary and the Company include assessing and considering how the policy should provide the policyholder with what they can reasonably expect to get from it. One of the key elements of these responsibilities, is defining how the interests of the policyholder should be taken into account in any variation to the policy terms and conditions.

The Company may review and potentially revise the policy terms and conditions, if, in its opinion, after consulting with the appointed actuary, circumstances outside the Company's control have changed in a way which could not be reasonably been predicted at the start of the policy and where, if the policy terms and conditions were not changed, the results would be unfair to the policyholder and/or the Company. Such circumstances might include:

- A change in law under which the policy operates;
- A change in the tax treatment of the policy;
- A change in the tax treatment of life companies and their investments.

In consultation with the appointed actuary, the Company reserves the right to amend charge levels, the basis for charging, or the minimum level of charges. It is the policyholder's responsibility to always refer to the Providence website for the latest version of the policy terms and conditions. Any significant changes to the policy terms and conditions will be notified to the policyholders in writing, in advance of their taking effect. The Company will aim to give all policyholders three (3) months' notice for any significant changes.

26. Cancellation Rights (This Only Applies to Direct Bonds)

- 26.1 If the policyholder is not satisfied with their policy for whatever reason, they can decide not to proceed with the policy during the cooling-off period, which ends thirty (30) days after policy commencement date. The Welcome Pack will contain a Cooling-Off Notification Form, that the policyholder must complete and return to the Company, if they wish to avail this cooling-off option. It is sufficient for the policyholder to send the Cooling-Off Notification Form together with the policy schedules and any policy endorsements to our registered address within the time frame detailed above to exercise their cooling-off rights.
- 26.2 If the policy is cancelled within the cooling off-period, the policyholder will receive a full return of any premiums paid, subject to a market value adjustment and any adhoc disinvestment costs, that will be applied.
- 26.3 As the cancellation provisions apply at policy level, the cooling-off period ends thirty (30) days after the policy commencement date. There is no separate cooling-off period for subsequent Additional investment Amount(s) received after issue.
- 26.4 The cooling-off period does not apply to transfers from a qualifying pension plan, nor does this apply to transfers in from other insurance companies, investment companies, or any other In-specie Transfers.

27. Tax

- 27.1 The following is a general summary of the taxation requirements based on an understanding of the current legislation as it applies to policyholders. Future legislation, or interpretations of legislation may impact the tax treatment of a policy.
- 27.2 The policyholder's tax liability in respect of any benefit payments received from the policy will depend on their personal circumstances and the tax laws of their country of residence and domicile. Advice on their personal tax situation should be obtained from a professional tax adviser.
- 27.3 If the policyholder's personal tax or other circumstances require us to become involved in the provision of information with certain authorities and third-parties including the potential withholding of some or all policy benefits the Company expressly reserves the right to recoup any additional expenses from the policy, or from the policyholder directly, in dealing with such matters. It is the policyholders responsibility to ensure that all proper returns and declarations are made to the relevant authorities in respect of their personal tax responsibilities in relation to any benefits arising from this policy.

28. FATCA Disclosure Issues

The policyholder shall provide the Company with all IRS and other forms required to minimise, or eliminate any FATCA Deductions, including, where applicable, forms of named beneficiaries of the policy.

29. Prevention of Money Laundering, Counter Terrorist Financing, and Know Your Customer

All investments are subject to the procedures defined below:

- 29.1 The policyholder will be responsible for providing all necessary documentation for the Company to comply with the relevant know your customer, anti-money laundering, and counter terrorism financing, requirements in accordance with Mauritius law.
- 29.2 The Company will require in all cases appropriate verification of the policyholder's identity and address, origin and source of wealth and funds. The Company reserves the right not to issue the policy until it is completely satisfied with all the relevant documentation and other information it considers necessary, in order to comply with Mauritius law. These requirements may be amended in the future to ensure the Company meets future requirements for both new and existing policyholders.

30. Data Protection

- 30.1 By completing and signing the declaration/data protection section of the Polaris Portfolio Bond Application Form, your personal data will be subject to the data protection clause of the terms and conditions.
- 30.2 Information provided to the Company will be stored manually and on the Company's computer network. For the purposes of the data protection laws in force in Mauritius (the "Data Protection Law") and other relevant data protection legislation which may be applicable, the Company will only use such information for the purposes set out below, being to:
- 30.2.1 Process the personal data (including sensitive personal data) as required in connection with the investment in the Company, including processing personal data in connection with credit and money laundering checks;
 - 30.2.2 Communicate with the policyholder as necessary in connection with their affairs and generally in connection with their investment with the Company;
 - 30.2.3 Provide personal data to such third-parties, as the Company may consider necessary, in connection with the investment in the Company, including third-parties outside Mauritius;
 - 30.2.4 Provide personal data to the policyholder's investment adviser, notwithstanding that any such party may be outside Mauritius;
 - 30.2.5 Transfer personal data to other companies within the same group as the Company, including any such Companies which are outside Mauritius, who wish to use such information for marketing purposes to promote their services, including by means of electronic communication; and
 - 30.2.6 Process the personal data for the Company's internal administration.
- 30.3 A person may, at any time, by notice in writing (see Section 36) request a data controller:
- 30.3.1 To stop; or
 - 30.3.2 Not to begin,
- the processing of personal data, in respect of which he is a data subject, for the purposes of direct marketing.

31. Applicable Law

The policy is governed by and construed in accordance with, Mauritius law. In the event of a dispute, the English language versions of any brochures, documentation, marketing literature including the illustration output and the policy's constituent documents take precedence over versions in any other language. The invalidity, or unenforceability of any term, or of any right arising to the policy shall not adversely affect the validity or enforceability of the remaining terms and rights.

32. Regulator

The Mauritius Financial Services Commission regulates Providence Life Limited, PCC. They can be contacted at FSC House, 54 Cybercity, Ebene, Republic of Mauritius.

33. Inflation

Any amounts at the discretion of the Company and stated in the policy and its provisions may be increased from time to time with reference to the retail price index issued by the Government of Mauritius.

34. Unavoidable Events

We will not be held responsible for acts of force majeure that prevents us from carrying out our obligations, due to events beyond our control, but not limited to industrial action, strike, fire or flood, war, pandemic or any Act of God.

35. Changes in Circumstance

- 35.1 The policyholder must tell the Company in writing about any changes to the policyholder's name, address, country of residence, citizenship or domicile as soon as possible after any change. The policyholder must also tell the Company in writing about any of those changes to the life/lives assured on the policy.
- 35.2 Joint owned policies would require the signature of both policyholders before the Company carries out any written requests.

36. Communication

- 36.1 All written communication should be directed to the Company's registered office address for the attention of the **Head of Client Services**,
Providence Life Limited PCC,
Level 4, Mindspace SBI Tower,
Cybercity,
Ebene, Mauritius.
- 36.2 Upon receipt, we endeavour to process all written instructions within five (5) business days.

37. Complaints Handling Policy

The Company welcomes all customer feedback as we aim to exceed all of our clients' expectations and strive to improve customer experience.

Should you wish to complain, please address your complaint to the complaints coordinator with your name, address, and contact details, together with your policy number (if you are an existing policyholder). Our contact details are listed under section 41. A brief overview of your complaint will help us research your concern so that we can try and resolve it as soon as possible. All complaints should be sent to complaints@providence.life.

We will acknowledge your concern within three (3) business days and aim to resolve it within thirty (30) business days. If you are not satisfied with our response then you can raise it with the Mauritius Financial Services Commission: Financial Services Commission, FSC House, 54 Cybercity, Ebene, Mauritius, (+230) 403-7000, mail@fscmauritus.org.

You will need to submit your complaint in-line with the guidance provided in the communicate which can be downloaded from <https://www.fscmauritus.org/en/consumer-protection/complaints-handling>.

38. Non – Waiver

Any failure by the Company to enforce any of the terms and/or conditions contained in this document shall not be construed as a waiver of such rights at any time to enforce each and every term and condition outlined in this policy.

POLICY SCHEDULE A

10. INVESTMENT SELECTION

10.2 Fixed Term Deposit (FTD) Charge: A charge of AUD 180, CHF 140, EUR 120, GBP 100, JPY 16,000 or USD 150 will apply for every FTD investment made in the policy.

15. FEES AND CHARGES

15.4 Establishment Charge

Establishment Charge with Premium Tiers														
Currency						5 Years			8 Years			10 Years		
AUD	CHF	EUR	GBP	JPY	USD	Quarterly	Annually	Total	Quarterly	Annually	Total	Quarterly	Annually	Total
72,000 - 179,999	56,000 - 139,999	48,000 - 119,999	40,000 - 99,999	6,400,000 - 15,999,999	60,000 - 149,999	0.5625%	2.25%	11.25%	0.3750%	1.50%	12.00%	0.3250%	1.30%	13.00%
180,000 - 449,999	140,000 - 349,999	120,000 - 299,999	100,000 - 249,999	16,000,000 - 39,999,999	150,000 - 374,999	0.5375%	2.15%	10.75%	0.3625%	1.45%	11.60%	0.3125%	1.25%	12.50%
450,000 - 899,999	350,000 - 699,999	300,000 - 599,999	250,000 - 499,999	40,000,000 - 79,999,999	375,000 - 749,999	0.5250%	2.10%	10.50%	0.3500%	1.40%	11.20%	0.3000%	1.20%	12.00%
900,000 - 1,349,999	700,000 - 1,049,999	600,000 - 899,999	500,000 - 749,999	80,000,000 - 119,999,999	750,000 - 1,124,999	0.4950%	1.98%	9.90%	0.3375%	1.35%	10.80%	0.2875%	1.15%	11.50%
1,350,000+	1,050,000+	900,000+	750,000+	120,000,000+	1,125,000+	0.4625%	1.85%	9.25%	0.3325%	1.33%	10.64%	0.2750%	1.10%	11.00%

Example:

Five (5) year establishment charge period allocated at 100%.

Initial Investment Amount = GBP 75,000. This would result in a 0.5625% quarterly establishment charge for the establishment charge period of 5 years.

After 24 months, an Additional Investment Amount is invested = GBP 75,000. The establishment charge premium tier based on a cumulative GBP 150,000 premium amount would result in a 0.5375% quarterly establishment charge.

The charges are calculated in the following way:

- The initial investment amount would be subject to an establishment charge of 0.5375% for the remaining three (3) years of the establishment charge period for that premium and the additional investment amount would be subject to an establishment charge of 0.5375% for the remainder of the five (5) years of the establishment charge period for that premium.
- This reduced establishment charge premium tier level would be for the remaining duration of the establishment charge period for each premium and would not be retrospective. Any early encashment charge would be based on the combined premium amount tier level but would vary for each premium based on the remaining establishment charge period.

15.5 Early Encashment Charges

Early Encashment Charges								
Currency						5 Years	8 Years	10 Years
AUD	CHF	EUR	GBP	JPY	USD			
72,000 - 179,999	56,000 - 139,999	48,000 - 119,999	40,000 - 99,999	6,400,000 - 15,999,999	60,000 - 149,999	Reducing by 2.25% annually, 0.5625% quarterly	Reducing by 1.50% annually, 0.3750% quarterly	Reducing by 1.30% annually, 0.3250% quarterly
180,000 - 449,999	140,000 - 349,999	120,000 - 299,999	100,000 - 249,999	16,000,000 - 39,999,999	150,000 - 374,999	Reducing by 2.15% annually, 0.5375% quarterly	Reducing by 1.45% annually, 0.3625% quarterly	Reducing by 1.25% annually, 0.3125% quarterly
450,000 - 899,999	350,000 - 699,999	300,000 - 599,999	250,000 - 499,999	40,000,000 - 79,999,999	375,000 - 749,999	Reducing by 2.10% annually, 0.5250% quarterly	Reducing by 1.40% annually, 0.3500% quarterly	Reducing by 1.20% annually, 0.3000% quarterly
900,000 - 1,349,999	700,000 - 1,049,999	600,000 - 899,999	500,000 - 749,999	80,000,000 - 119,999,999	750,000 - 1,124,999	Reducing by 1.98% annually, 0.4950% quarterly	Reducing by 1.35% annually, 0.3375% quarterly	Reducing by 1.15% annually, 0.2875% quarterly
1,350,000+	1,050,000+	900,000+	750,000+	120,000,000+	1,125,000+	Reducing by 1.85% annually, 0.4625% quarterly	Reducing by 1.33% annually, 0.3325% quarterly	Reducing by 1.10% annually, 0.2750% quarterly

Example:

Five (5) year Establishment Charge Period allocated at 100%.

Initial Investment Amount = GBP 75,000.

After 24 months an Additional Investment Amount is allocated to the policy = GBP 75,000.

If the policyholder has a five (5) year Establishment Charge period and a total premium paid of GBP 150,000 and wishes to encash the policy thirty-six (36) months after the policy commencement date, then the Early Encashment Charge would be as below:

- The Early Encashment Charge due on Initial Investment Amount (GBP 75,000) would be 10.75% – 6.45% (12 quarters x 0.5375% = 6.45%) resulting in an Early Encashment Charge of 10.75% – 6.45% = 4.30% of the Initial Investment Amount.
- Therefore, the Early Encashment Charge due on Initial Investment Amount would be GBP 75,000 x 4.30% = GBP 3,225
- The Early Encashment Charge due on the Additional Investment Amount (GBP 75,000) would be 10.75% – 2.15% (4 quarters x 0.5375% = 2.15%) resulting in an Early Encashment Charge of 10.75% – 2.15% = 8.60% of the Additional Investment Amount.
- Therefore, the Early Encashment Charge due on Additional Investment Amount would be GBP 75,000 x 8.60% = GBP 6,450.
- Therefore the total Early Encashment Charge = GBP 9,675.

15.7 Custody Charge

A Custody Charge of AUD 54, CHF 42, EUR 36, GBP 30, JPY 4,800 or USD 45 for each Investment will be deducted at the time of the trade.

Example:

At policy Commencement (10 January) 3 funds are purchased. On 12 June, 2 funds are sold and 1 fund purchased. Therefore, in total 4 funds held so GBP 30 x 4 = GBP 120. GBP 90 deducted on 10 January, and GBP 30 deducted on 12 June.

POLICY SCHEDULE B

10. INVESTMENT SELECTION

10.2 Fixed Term Deposit (FTD): Investment Selection of Fixed Term Deposits will not be subject to an additional Charge for schedule B policies.

15. FEES AND CHARGES

15.4 Establishment Charge

Currency						5 Years			8 Years			10 Years		
AUD	CHF	EUR	GBP	JPY	USD	Quarterly	Annually	Total	Quarterly	Annually	Total	Quarterly	Annually	Total
72,000 - 179,999	56,000 - 139,999	48,000 - 119,999	40,000 - 99,999	6,400,000 - 15,999,999	60,000 - 149,999	0.4425%	1.77%	8.85%	0.3000%	1.20%	9.60%	0.2500%	1.00%	10.00%
180,000 - 449,999	140,000 - 349,999	120,000 - 299,999	100,000 - 249,999	16,000,000 - 39,999,999	150,000 - 374,999	0.4175%	1.67%	8.35%	0.3000%	1.20%	9.60%	0.2500%	1.00%	10.00%
450,000 - 899,999	350,000 - 699,999	300,000 - 599,999	250,000 - 499,999	40,000,000 - 79,999,999	375,000 - 749,999	0.4125%	1.65%	8.25%	0.3000%	1.20%	9.60%	0.2500%	1.00%	10.00%
900,000 - 1,349,999	700,000 - 1,049,999	600,000 - 899,999	500,000 - 749,999	80,000,000 - 119,999,999	750,000 - 1,124,999	0.4125%	1.65%	8.25%	0.2875%	1.15%	9.20%	0.2250%	0.90%	9.00%
1,350,000+	1,050,000+	900,000+	750,000+	120,000,000+	1,125,000+	0.4125%	1.65%	8.25%	0.2875%	1.15%	9.20%	0.2250%	0.90%	9.00%

Example:

Five (5) year Establishment Charge Period allocated at 100%.

Initial Investment Amount = GBP 75,000. This would result in a 0.4425% quarterly Establishment Charge for the Establishment Charge Period of 5 years.

After 24 months, an Additional Investment Amount is invested = GBP 75,000. The Establishment Charge premium Tier based on a cumulative GBP 150,000 premium amount would result in a 0.4175% quarterly Establishment Charge would be as below:

The charges are calculated in the following way:

- The Initial Investment Amount would be subject to an Establishment Charge of 0.4175% for the remaining three (3) years of the Establishment Charge Period for that premium and the Additional Investment Amount would be subject to an Establishment Charge of 0.4175% for the remainder of the five (5) years of the Establishment Charge Period for that premium.
- This reduced Establishment Charge premium Tier level would be for the remaining duration of the Establishment Charge Period for each premium and would not be retrospective. Any Early Encashment Charge would be based on the combined premium amount tier level but would vary for each premium based on the remaining Establishment Charge Period.

15.5 Early Encashment Charges

Early Encashment Charges								
Currency						5 Years	8 Years	10 Years
AUD	CHF	EUR	GBP	JPY	USD			
72,000 - 179,999	56,000 - 139,999	48,000 - 119,999	40,000 - 99,999	6,400,000 - 15,999,999	60,000 - 149,999	Reducing by 1.77% annually, 0.4425% quarterly	Reducing by 1.20% annually, 0.3000% quarterly	Reducing by 1.00% annually, 0.2500% quarterly
180,000 - 449,999	140,000 - 349,999	120,000 - 299,999	100,000 - 249,999	16,000,000 - 39,999,999	150,000 - 374,999	Reducing by 1.67% annually, 0.4175% quarterly	Reducing by 1.20% annually, 0.3000% quarterly	Reducing by 1.00% annually, 0.2500% quarterly
450,000 - 899,999	350,000 - 699,999	300,000 - 599,999	250,000 - 499,999	40,000,000 - 79,999,999	375,000 - 749,999	Reducing by 1.65% annually, 0.4125% quarterly	Reducing by 1.20% annually, 0.3000% quarterly	Reducing by 1.00% annually, 0.2500% quarterly
900,000 - 1,349,999	700,000 - 1,049,999	600,000 - 899,999	500,000 - 749,999	80,000,000 - 119,999,999	750,000 - 1,124,999	Reducing by 1.65% annually, 0.4125% quarterly	Reducing by 1.15% annually, 0.2875% quarterly	Reducing by 0.90% annually, 0.2250% quarterly
1,350,000+	1,050,000+	900,000+	750,000+	120,000,000+	1,125,000+	Reducing by 1.65% annually, 0.4125% quarterly	Reducing by 1.15% annually, 0.2875% quarterly	Reducing by 0.90% annually, 0.2250% quarterly

Example:

Five (5) year Establishment Charge Period allocated at 100%.

Initial Investment Amount = GBP 75,000.

After 24 months an Additional Investment Amount is allocated to the policy = GBP 75,000.

If the policyholder has a five (5) year Establishment Charge period and a total premium paid of GBP 150,000 and wishes to encash the policy thirty-six (36) months after the policy commencement date, then the Early Encashment.

- The Early Encashment Charge due on Initial Investment Amount (GBP 75,000) would be 8.35% – 5.01% (12 quarters x 0.4175% = 5.01%) resulting in an Early Encashment Charge of 8.35% – 5.01% = 3.34% of the Initial Investment Amount.
- Therefore, the Early Encashment Charge due on Initial Investment Amount would be GBP 75,000 x 3.34% = GBP 2,505.
- The Early Encashment Charge due on the Additional Investment Amount (GBP 75,000) would be 8.35% – 1.67% (4 quarters x 0.4175% = 1.67%) resulting in an Early Encashment Charge of 8.35% – 1.67% = 6.68% of the Additional Investment Amount.
- Therefore, the Early Encashment Charge due on Additional Investment Amount would be GBP 75,000 x 6.68% = GBP 5,010.
- Therefore, the total Early Encashment Charge = GBP 7,515.

15.7 Investment Holding Charge

A variable fee levied by Providence for the administration of your selected investment choice and calculated on the total value of the asset held. This charge is taken quarterly in arrears.

Asset Charges	
Investment Type	Investment Holding Charge Per Annum
Mutual Funds	0.00% to 0.15% *
Exchange Traded Funds	0.10% to 0.15% *
Structured products, Fixed Term Deposits (FTD)	0.10%
Equities, Bonds A, Closed Ended Funds, DAM Funds	0.20%

* Dependent on the fund platform where the Investment Type is available to the Company for investment. For more details, please refer to the Polaris Portfolio Bond – Fees and Charges flyer available on the Company website.

Worked Example:

Policy Issue Date = 15.01.2022, First charge quarterly in arrears 15.04.2022.

The charge will be calculated on a daily basis from 15.01.2022 up to and including 14.04.2022.

The daily charge for 15.01.2022 would be:

Daily charge for a fund = ((Fund value in policy currency as at 15.01.2022 using 15.01.2022 valuation prices and exchange rates) *Fund fee percentage)/Days in Year 2022.

e.g.

Fund F1 has value in policy currency as at 15.01.2022 is 15,000

Annual Fee percentage = 0.15%

Fund F1 daily fee for 15.01.2022 = $(15000 * 0.15\%) / 365 = 0.06$

This daily calculation is repeated for each day up to 14.04.2022

If the calculation day falls on the weekend, then the last available valuation price and exchange rate will be used.

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