

Pinnacle Insurance plc

Guaranteed Bond

Terms and Conditions

Pinnacle Insurance plc (the Company) will pay the benefits described in this Bond subject to the conditions set out below in return for the payment of the Premium specified in the Bond Schedule.

This Bond is issued on the basis of an application form and declaration accepted by the Company. All requests or notices to the Company, including requests to exercise any options available under the Bond, must be sent in writing to the Company.

The Benefits will be paid on production of the Bond Schedule and such other documents as the Company may require, at the Company's Head Office. All sums payable by or to the Company shall be payable in sterling.



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1. Definitions

In this Bond, unless the context otherwise requires:

“**Bond**” shall mean the Bond Owners Investment which is contracted under the terms and conditions set out in this document, the application and the Bond Schedule and any written amendments to those terms and conditions endorsed by the Company;

“**Bond Owner**” shall mean the person or persons named as the bond owner or bond owners on the Bond Schedule or where a trust over the Bond is created, the Trustees of such trust shall be the Bond Owner;

“**Bond Schedule**” shall mean the document headed Bond Schedule that shows the details of the Life(s) Assured/Bond Owner and the investment made;

“**Breakage Charge**” shall mean a deduction from the amount payable on surrender. The breakage charge will be calculated based on the cost of liquidation of assets incurred by the Company which typically depends on market interest rates, the period remaining until the Maturity Date, the terms of the issuer/bank with whom the Company has invested, and refinancing costs. Details of the breakage charge should be requested before the surrender is made.

“**Commencement Date**” shall mean the date the initial investment is made as shown in the Bond Schedule;

“**Life Assured**” shall be the person or persons named as the Life Assured or Lives Assured on the Bond Schedule;

“**Income Payment Date**” will be either the monthly or the annual anniversary of the commencement date of the Bond for the monthly and annual income options respectively. If the anniversary is a non-calendar date (i.e. where the commencement date is 31st of the month or 29th February) then the payment will be made on the next calendar date. If the anniversary is a non-business date (i.e. where the anniversary is a Saturday, Sunday, Bank or Public holiday) then the payment will be made on the next business date.

“**Surrender Value**” shall mean the Surrender Value given to the Bond under Clause 8 below;

“**Trust**” shall (where applicable) mean the trust over the Bond as named on the Bond Schedule;

“**Trustees**” shall (where applicable) mean the trustees of the Trust.

2. Description

The Guaranteed Bond is a single premium life assurance plan which aims to provide annual or monthly income or capital growth over a chosen investment period for 1 to 5 years, or capital growth over a chosen investment period between 6 months and 2 years.

3. Eligibility

The Bond Owner must be:

- Aged 18 or over and under 80;
- A UK resident.

Joint Applicants: Where there is more than one Bond Owner the Bond Owners must have an insurable interest between them. This may include:

- Being married or registered as civil partners;
- Living together for more than 6 months;
- Having a joint financial liability.

Where Joint Applications are made the Company reserves the right to require proof of the insurable interest.

4. How the Bond works

The Guaranteed Bond provides the Life(s) Assured with a guaranteed level of monthly or annual income or capital growth which will be received throughout and/or at the end of the investment period and cannot be changed during the chosen investment period.

5. Income Payment

An amount equal to the Income Payment will be paid on each Income Payment Date provided the Bond has not been terminated under clause 6 below.

6. Maturity Benefit

Provided the Bond does not terminate before the Maturity Date, an amount equal to the Maturity Value will be paid on the Maturity Date to the Bond Owner. If the Maturity Date is a non-business date (e.g. where the payment date is a Saturday, Sunday, Bank or Public holiday) then the payment will be made on the next business date.



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7. Death Benefit

A Death Benefit is payable if the Life Assured dies before the Maturity Date of the Bond. If there is more than one Life Assured, the Death Benefit shall only be payable on the death of the last surviving Life Assured.

The amount payable where the Life Assured was 80 or less at the Commencement Date and the Minimum Sum Assured is less than or equal to £250,000, will be the greater of:

- (i) The Minimum Sum Assured, or
- (ii) 101% of the Surrender Value at the date of death.

The amount payable where the Life Assured was over 80 at the Commencement Date or the Minimum Sum Assured is more than £250,000 will be 100.1% of the Surrender Value at the date of death. The limit of £250,000 applies to the total sum assured of all Bonds held by the Life Assured with the Company.

Written notice of death must be sent to the Company's Head Office along with an original death certificate, or copy of such certified by a Solicitor. If the death certificate is not in English a notarised approved translation, by a recognised organisation, must be supplied. The Company may, at any time request further proof to validate a claim. The Death Benefit will be payable to the Bond Owner or the estate of the Life Assured if the Bond Owner is also the Life Assured.

8. Surrender Value

The Bond may be surrendered on receipt at the Company's Head Office of a written request to surrender from the Bond Owner together with the Bond Schedule and such other documentation, as the Company deems necessary. The Company will determine the Surrender Value taking account of the following factors:

- (i) the Premium;
- (ii) the current yield on assets held by the Company to provide benefits under the Bond;
- (iii) commission and expenses under the Bond;
- (iv) a Breakage Charge; and
- (v) any other factors reasonably deemed relevant by the Company's actuary.

9. Termination Date

The Bond will terminate on payment by the Company, to the Bond Owner, on either of the following:

- (i) the Maturity Benefit;
- (ii) Death Benefit; or
- (iii) the Surrender Value.

10. Mis-statement of Information

If deliberate false or misleading information was provided by you when you applied for this Bond and this information affected the legality of the contract, the Bond will be deemed void and the Company will refund the percentage of the premium that the Company thinks is reasonable.

11. Assignment

Assignment of the Bond will be permitted to:

- a) A spouse or civil partner.
- b) Common-law partner.
- c) Any person(s) (maximum of 2), providing the individuals are aged 18 years or over and are registered as UK Taxpayers, or;
- d) By way of mortgage or charge

The Bond Owner must apply, in writing, to the Company requesting the assignment and enclose with their letter:

- i. The Deed of Assignment (either an original or a certified copy*) which must be completed and include the signatures of the assignor(s) and the assignee(s);
- ii. Originals or certified copies* of two of the following documents to evidence the Assignees/Gift receivers identity and proof of address:
 - a) Current Full Signed Passport;
 - b) UK Driving Licence (photo card or old style);
 - c) State Pension or Benefits book/notification letter;
 - d) Most recent Inland Revenue tax notification (P45/P60/Notice of Coding).

One document cannot be used to verify both identity AND address. To discuss further options for evidence of identification and address, please contact Cardiff Pinnacle Investments Department; 0844 543 1007.

- iii. A recent original or certified copy* of a Bank or Building Society statement detailing the Assignee(s)/Gift receiver(s) account number for future Bond payments. (Definition of recent: received in the last 6 months or most recent annual statement).
- iv. Any other evidence the Company may request.

Please note: Payment upon Maturity, Surrender or Death may only be made to one Bank Account. Part payments are not permitted. In the case of an assignment by way of mortgage or charge, (ii) and (iii) will not be required. An assignment will only be permitted at the Company's discretion.

- A certified copy must be made by a Solicitor or Bank official.



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12. Extension Option

If the Life Assured is aged 80 or less at the time the extension option is exercised (or where the Bond is in joint names, the younger Life Assured is aged 80 or less) then the Bond Owner may apply in writing to the Company at least 10 working days prior to the Maturity Date to extend the Maturity Date in accordance with the rates and terms available (if any) at the date on which the option is exercised. The Company will issue a new Bond Schedule showing the amendments to the Bond, which will include the revised Maturity Date, revised Maturity Value, revised Income Benefit, revised Income Payment Dates and revised Minimum Sum Assured.

13. Complaints

It is always our intention to provide a first class standard of service, however if the Bond Owner does have any concerns about any aspect of the service received, these should be addressed in writing to:

Customer Relations Department, Pinnacle Insurance plc (Pinnacle), Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire WD6 2XX.

Should the Bond Owner remain dissatisfied with the outcome of any internal enquiries they have the right to refer their complaint to:

The Financial Ombudsman Service (FOS), South Quay Plaza, 183 Marsh Wall, London E14 9SR.

This procedure will not prejudice your right to take legal proceedings. However, please note that there are some instances when the FOS cannot consider complaints.

A leaflet detailing our full complaints/appeals process is available from the Company on request.

14. General

- (i) The Company reserves the right to make such amendments to the terms and conditions of this Bond as it deems necessary or appropriate to maintain the financial and administrative viability of this Bond. In the event of such amendments, the Company will give you no less than 7 days notice in writing.
- (ii) The Company may adjust or make deductions from the benefits payable under this Bond to take account of any levy imposed under the terms of the Financial Services Compensation Scheme, as amended from time to time, or under the terms of any other legislation, rules of any statutory body or self regulatory organisation which affect the Bond from time to time.
- (iii) In this Bond, unless the context indicates otherwise the singular is deemed to include the plural and vice versa.
- (iv) The Company is covered by the Financial Services Compensation Scheme (the Scheme). You may be entitled to compensation from the Scheme if the Company cannot meet its obligations. This depends on the type of business. Most types of insurance business are covered for 100% of the first £2000 of a valid claim and 90% of the remaining amount of the loss. Further information about compensation arrangements is available from the Financial Services Compensation Scheme, telephone 020 7892 7300 or www.fscs.org.uk.
- (v) The Bond shall be governed by English Law. The parties to this Bond agree to irrevocably submit to the jurisdiction of the courts of England and Wales.

The Bond is underwritten by the Company.



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