

The Onshore Bond

Terms and conditions



Summary

The Onshore Bond is a single premium investment-linked whole of life bond, of which part or the whole of the value may be surrendered at any time, as set out in these terms. The Onshore Bond will provide a lump sum in the event of the death of the specified life assured.

Countrywide Assured plc ("Countrywide Assured") is the provider of the Onshore Bond.

Where we refer to Countrywide Assured in this document, this includes CASFS Ltd ("CASFS") where appropriate.

- Countrywide Assured plc is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. The firm reference number is 141916.
- CASFS Ltd ("CASFS") is authorised and regulated by the Financial Conduct Authority. The firm reference number is 472783.

These terms, together with your application form, *the Onshore Bond features and charges* document, *Key information* document, illustration(s), *Product guide* document and policy schedule constitute a legally binding contract between you and Countrywide Assured and governs our respective obligations.

Definitions

In this section, we have set out the specific meaning of terms used throughout the document.

Adviser: the person appropriately authorised by the FCA (or other regulator) whom you have appointed to provide financial advisory and, if applicable, investment management services (where appropriately authorised) and whom you have authorised to deal with us and who has accepted our *Terms of business for intermediaries* and (if you have confirmed in your application form you wish investments in your Onshore Bond to be managed via a specific platform) who is also registered with the platform.

Adviser fees: initial adviser fees, ongoing adviser fees and ad hoc adviser fees, in each case as defined and identified in your adviser fee instruction.

Adviser fee instruction: the agreement and any subsequent agreement between you and your adviser relating to the payment of adviser fees to your adviser for their advice and ongoing services, and the facilitation of such fees by deduction from your Onshore Bond.

Annual administration charge: the regular charge we deduct in accordance with paragraph 17 of these terms. This charge is subject to review in accordance with paragraph 17.4.

Application form: the application(s) in the form provided by us which are required to be completed by you and, as applicable, your adviser, in order for us to provide the Onshore Bond.

Assets: assets which you are permitted to invest in through your Onshore Bond which are set out in paragraph 11 of these terms.

Bank: an institution or bank authorised to hold client money which Countrywide Assured may nominate. Currently our banks are Barclays Bank Plc and JP Morgan.

Bond holdings: the assets and cash (including interest thereon) held in your Onshore Bond, by reference to which the benefits under your Onshore Bond are payable.

Business day: any day on which the London Stock Exchange is open for business, except a Saturday, Sunday or bank/public holiday.

Countrywide Assured: Countrywide Assured, a life company, which is the provider of the Onshore Bond.

Client money account: a ring-fenced bank account with our nominated bank which holds our clients' money, and in respect of which we may receive interest but from which no interest is payable to you.

Custodian: the person we may appoint to provide clearing, settlement, safe custody and other associated services in respect of assets. If you have elected to manage your investments via a platform, this will be the platform's nominated custodian.

Death benefit: the lump sum payable on the death of a life assured.

HMRC: HM Revenue and Customs.

Investment manager: means (as applicable) you (acting through your adviser) or a discretionary investment manager or financial adviser who is appropriately authorised by the FCA (or other regulator) and who has entered into an investment management agreement with us in connection with the management of the assets.

Life assured: the individual or individuals named against that heading in the policy schedule.

Personal portfolio bond: the meaning provided under Section 516 Income Tax (Trading and Other Income) Act 2005.

Platform: an investment wrap platform, which is entirely separate to Countrywide Assured, that offers custody and online facilities enabling its customers to view, manage and switch investments whether directly or by their financial adviser or other regulated person acting on their behalf, and (if applicable) is identified on the application form.

Policy schedule: the schedule issued by Countrywide Assured after acceptance of your application form which sets out details such as the commencement date of your Onshore Bond and the premium received.

Regulator: the Financial Conduct Authority (FCA) or Prudential Regulation Authority (PRA), as the context requires, or any superseding or successor authority or equivalent supervisory authority.

Regulator's rules: as applicable, the Financial Services and Markets Act 2000; such legislation made under that act; and the rules of the relevant regulator as published by it including, but not limited to, the FCA's *Handbook of rules and guidance*.

The Onshore Bond features and charges document: a separate document which, among other things, sets out the applicable fees, charges and minimum premium/balance amounts which apply to your Onshore Bond.

The Onshore Bond: an onshore life assurance bond issued by Countrywide Assured upon these terms, forming part of its long-term business fund.

The Onshore Bond documents: these terms, any policy schedule(s) and any endorsements or amendments thereto. Where any Onshore Bond documents are required to be produced to us they also include any other documents affecting the title to your Onshore Bond or the benefits under it.

Terms: these terms and conditions, including any policy schedule(s), as amended from time to time.

We and/or us and/or our: Countrywide Assured and/or CASFS Ltd ("CASFS"), depending on the context in which such terms are used.

You and/or your: the account holder(s) named in the policy schedule or any other persons entitled to the benefit of this Onshore Bond.

Interpretation of these terms

References to paragraphs in these terms are to paragraphs in this document. Headings are used in these terms for ease of reference and to help you navigate this document and are not to be used for the purposes of interpreting the terms.

In these terms the singular includes the plural and vice versa and references in these terms to any gender shall include references to other genders.

References in these terms to any regulation, statute or statutory provision shall include that regulation, statute or statutory provision as from time to time amended, modified, replaced or re-enacted in any order, regulation, instrument, by law or other subordinate legislation made under it.

Terms and conditions

1. Our status and the status of the Onshore Bond

- 1.1 Countrywide Assured is the provider of the Onshore Bond and issues the Onshore Bond in accordance with HMRC regulations and the regulator's rules. Any premium received from you under the Onshore Bond by Countrywide Assured forms part of its long-term business funds.
- 1.2 The Onshore Bond is a single premium investment-linked whole of life bond. It is issued as one thousand separate policies (or such other number as stated in the policy schedule), each of which is a separate contract and each of which is identical to the other at the commencement date of the Onshore Bond (this is the date set out in paragraph 5 of these terms).
- 1.3 These Onshore Bond terms apply to the Onshore Bond as a whole and to each of its constituent policies. Unless otherwise permitted by Countrywide Assured, the exercise by you of any option in respect of a policy is subject to the restriction that it must be exercised in the same way for all constituent policies comprising the Onshore Bond, with the exception of an option to encash a policy which is not subject to such a restriction. For the avoidance of doubt, reference to the Onshore Bond shall be deemed to mean all of the separate policies (identified in the policy schedule) which have not been encashed at any time.
- 1.4 If you have elected to manage your investments via a platform these terms shall prevail in case of conflict between these terms and the terms and conditions of the platform.

2. Valuation of your Onshore Bond

- 2.1 Each Onshore Bond is notionally divided into units and all units have an equal value. We create or cancel units in the Onshore Bond as appropriate. Whenever a unit is created an amount of money equal to its base value will be added to the Onshore Bond. Whenever a unit is cancelled an amount of money equal to its base value will be deducted from the Onshore Bond.

- 2.2 The Onshore Bond shall be valued at least annually and whenever necessary to enable us to pay a benefit under your Onshore Bond. We will calculate the value of your Onshore Bond in accordance with recognised actuarial principles and on a fair and equitable basis. Each time the Onshore Bond is valued we will calculate the then current base value of a unit by dividing the total value of the Onshore Bond by the total number of units existing at any time. We will round all unit prices to one tenth of a penny. If in our opinion it is necessary to sell assets in order to pay benefits under your Onshore Bond, we will delay calculating the unit price applicable for determining that benefit until the relevant assets have been sold after deducting all applicable charges as set out in these terms.
- 2.3 Valuations may be delayed if dealing in an asset has been suspended.

3. Applying for an Onshore Bond

- 3.1 In order to open an Onshore Bond we must receive your application form (completed to our satisfaction) and your cleared funds, and you must have completed, to our satisfaction, certain anti-money laundering checks and we must have received your authority to facilitate payment of adviser fees, if applicable.
- 3.2 It is your responsibility to ensure the information you provide us (whether directly or via your adviser) is correct. We are entitled to rely on the information in your Application form and to assume it is valid and correct. We will not be responsible if any information you have provided to us is inaccurate, incorrect or misleading.
- 3.3 If we do not have the information we need to process your application and that information cannot be obtained within seven business days of receipt of your application form, we may return your application form to your adviser and your monies to the bank or building society account where they came from.

- 3.4 We may also, at any time and at our absolute discretion, decide to reject any and all of your application(s).
- 3.5 Each application form must be submitted with a cheque or bank transfer (BACS, Faster Payments or CHAPS) made payable to CASFS Ltd Client Account in accordance with the instructions in the application form. Cheques may take time to clear (up to six days). Investment monies will not be transmitted by us until cheques have cleared and monies are available for transfer to the platform, investment manager or custodian, as applicable.
- 3.6 You may nominate an investment manager who must be acceptable to us and who must execute such terms and conditions for the investment management of your Onshore Bond as we require. We are not required to appoint the investment manager nominated by you.

4. You and your adviser

- 4.1 We will normally only make the Onshore Bond available if you have appointed an adviser. You agree and represent to us that your adviser is appointed by you and is duly authorised by you to provide instructions on your behalf and this instruction shall remain in place until you notify us in writing otherwise, and you will be bound by the consequences of those instructions.
- 4.2 You agree to accept responsibility for all instructions placed whether they derive from you, your adviser or your investment manager and agree we shall not be responsible for any losses you suffer arising from us acting on instructions received from your adviser or investment manager.
- 4.3 If you wish to change your adviser or cease to have an adviser who has an established relationship with the platform (as applicable) and do not appoint a new adviser acceptable to us, and (if applicable) who has an established relationship with the platform, within seven business days, and/or you cease to use the platform you originally selected to manage your Onshore Bond, you agree the following will apply:

- (a) we reserve the right not to accept further investment or disinvestment with the consequence that your Onshore Bond might incur an investment loss for which we shall not be liable;
- (b) we reserve the right to transfer investments (including where applicable, investments held on the platform) to a custodian appointed by us; and
- (c) you authorise us to deduct the following costs from your Onshore Bond: our annual administration charge and any administration charges (see our *Guide to charges*); costs of transferring investments to our custodian; and any ongoing stockbroker fees and our custodian's charges.

5. Acceptance of your application for an Onshore Bond

- 5.1 These Onshore Bond Terms will come into effect when we notify you in writing that your application form and initial premium has been accepted by us. These terms will then be binding upon you but you do have a right to cancel (in accordance with paragraph 19 of these terms).
- 5.2 Your application form must be in a form acceptable to us. In addition, there are certain conditions which must be fulfilled in respect of your eligibility and the premiums for the Onshore Bond.

6. Eligibility and life assured

- 6.1 For us to establish an Onshore Bond for you, you must be 18 years of age or over and either resident in the UK or UK domiciled.
- 6.2 You may apply jointly for an Onshore Bond. For individuals acting in their own capacity there may be two joint holders. In respect of trustees, we permit up to four joint owners. Joint holders will be jointly and severally liable for each other's obligations as set out in these terms.
- 6.3 The Onshore Bond may have up to six lives assured.
- 6.4 The Onshore Bond is not available for large companies or pension funds.

7. Premiums

- 7.1 Premiums are a single payment and any other payments you make for your Onshore Bond. All premiums (initial and top ups) are subject to minimum payment amounts set by Countrywide Assured. For details of the current minimum payment amount please refer to the *Onshore Bond features and charges* document.

8. Initial premium

- 8.1 Your initial premium to Countrywide Assured is recorded in the policy schedule. This amount is divided in equal proportions across all policies comprising your Onshore Bond.
- 8.2 Any initial adviser fees you have agreed with your adviser, and which we are to facilitate the payment of, will be deducted from your premium before investment in your Onshore Bond.

9. Additional premiums or 'top ups'

- 9.1 Regular premiums are not allowed for your Onshore Bond. However, you may top up your initial premium by paying additional premiums to your Onshore Bond at any time before the benefits become payable. The additional premium is divided in equal proportions across all policies comprising your Onshore Bond.
- 9.2 As per paragraph 8.2, any initial adviser fees to which you have agreed will be deducted before the additional premium is applied to your Onshore Bond.

10. Ownership of cash and assets

- 10.1 Ownership of bond holdings and all associated rights or interests in such bond holdings vests legally and beneficially entirely in Countrywide Assured. Your entitlement to the benefits provided by your Onshore Bond does not create any right of ownership or other legal or beneficial right or interest for you or your nominee in the bond holdings or in any assets.

11. Investment under the Onshore Bond

- 11.1 The value of your Onshore Bond shall be determined by the value of the bond holdings. Further information on the valuation process is set out in paragraph 2.

- 11.2 Any investment in respect of the Onshore Bond is subject to the following overriding conditions:
- (a) Where applicable, assets must be available on the platform on which you have confirmed in your application form you wish your investments in the Onshore Bond to be managed;
 - (b) any asset must be: (i) a UK authorised fund which is an Undertakings for Collective Investment in Transferable Securities (UCITS) scheme or a non-UCITS Retail Scheme; or (ii) a recognised scheme (as each of those terms is defined in the FCA Handbook) each of which must qualify as a permitted link for linked, long-term insurance contracts, as prescribed in the regulator's rules; and
 - (c) no asset is permitted which at any time causes the Onshore Bond to fall within the definition of a personal portfolio bond.
- 11.3 We reserve the right to withhold or withdraw our agreement to invest in any type of investment.
- 11.4 If a non-permitted asset is purchased for the purposes of the Onshore Bond, we reserve the right to require such asset to be sold immediately and the costs of such transaction, including any cost consequent upon a fall in the value of the asset, will be charged to the investment manager (if one has been appointed), or to your Onshore Bond or you (if there are insufficient investments or cash in your Onshore Bond). If there is insufficient cash we reserve the right to instruct your adviser, investment manager or platform (as applicable) to sell assets in your Onshore Bond to meet such costs. You should be aware that the sale of assets for these purposes may occur at a disadvantageous time or may result in a tax charge for which we shall not be liable.
- 11.5 You may not use the assets in which your Onshore Bond is invested as security for a loan or create any legal charge, lien or security interest over them.
- 11.6 If you have appointed your adviser to make investment and disinvestment instructions in respect of your Onshore Bond which require your prior agreement or instruction, you and your adviser are jointly responsible for ensuring any investments comply with these terms and the applicable investment restrictions.

11.7 If you have elected to carry out investments via a platform and we have approved such election and established an account with the platform for this purpose, the following conditions also apply:

- (a) it is the responsibility of the investment manager and/or financial adviser (as applicable) to issue investment instructions to the platform and to act in accordance with the operating procedures of such platform;
- (b) where investments are carried out via a platform, the investment manager shall nevertheless be bound by the investment management agreement it has entered into with Countrywide Assured including, but not limited to, the investment restrictions contained therein, and it is the responsibility of the investment manager to ensure compliance;
- (c) the investment manager is responsible for informing Countrywide Assured immediately if the investment manager ceases to act for you. You understand that if another investment manager or adviser is not nominated (who has appropriate discretionary permissions) who has an established arrangement with the platform and who has been accepted by Countrywide Assured, it will not be possible for the investments in the Onshore Bond to be managed and we shall not be responsible for any associated losses, and Countrywide Assured may instruct the platform to transfer the assets to a custodian appointed by Countrywide Assured. The costs of transferring assets will be charged to the Onshore Bond and Countrywide Assured's prevailing investment charges for non-paperless transactions shall apply; and
- (d) in the case of conflict between the terms and conditions of the platform and these terms, these terms shall prevail.

11.8 If you have elected to manage your Onshore Bond investments via a platform and subsequently wish to change platform and/or custody arrangements, any such changes shall be subject to Countrywide Assured's prior written consent and on such terms as Countrywide Assured may require.

12. Taxation of assets and cash under your Onshore Bond

- 12.1 Tax is applied in accordance with the rules which apply to life assurance companies. Generally dividends are not taxable while interest, loan relationship credits and chargeable gains are subject to corporation tax at the rates which apply to policyholders. Indexation allowance where applicable will reduce gains, whilst allowable losses, loan relationship debits and management expenses are relievable too.
- 12.2 The deduction of this tax from the Onshore Bond is treated as fulfilling your liability to basic rate tax for the Onshore Bond.
- 12.3 If you are a higher or additional rate taxpayer at the time a chargeable event occurs or the gain makes you a higher or additional rate taxpayer, a further amount of tax may become payable. A chargeable event will normally occur in the following circumstances: on full encashment; on assignment in certain circumstances; on the death benefit becoming payable; or if withdrawals exceed an allowance for the deferral of tax of 5% per annum cumulative for 20 years. We are required to inform HMRC in these circumstances and to issue to you a chargeable event certificate.
- 12.4 Where you have agreed for ongoing adviser fees to be paid from your Onshore Bond, the payment of those fees will count towards the 5% tax deferred allowance referred to in paragraph 12.3.
- 12.5 The tax status of the Onshore Bond is dependent on current UK tax law and regulation which is subject to change. The value of any tax benefit is dependent on the policyholder's personal circumstances. Countrywide Assured will not be liable for your personal tax circumstances or your tax treatment consequent on holding an Onshore Bond.

13. Withdrawals under your Onshore Bond

- 13.1 If you want to make withdrawals from your Onshore Bond you may do so on a full, regular or ad hoc basis. All withdrawals are subject to our minimum payment amounts and minimum Onshore Bond balance requirements (please see the *Onshore Bond features and charges* document). If there is insufficient cash available in your Onshore Bond for the purposes

of paying any withdrawals, we reserve the right to instruct your investment manager, financial adviser or platform (as applicable) to sell any assets in your Onshore Bond. We shall not be responsible for selecting which assets to sell or the consequences of such sale (which may occur at a disadvantageous time to you).

- 13.2 We shall not be responsible for any delay processing your withdrawal request(s) (including, but not limited to, any delay in calculating the unit price used to determine the amount of a partial or regular withdrawal) where this is caused by a delay in selling your assets by your adviser, investment manager or platform, as applicable.
- 13.3 We reserve the right to require your entitlement to benefit be established to our satisfaction before making payment in respect of any withdrawal request. There may be a delay to processing withdrawal instructions due to delay caused by a platform, if you have elected to use one, and/or if dealing in any asset is suspended. We shall not be responsible for any such delays.

Full withdrawal

- 13.4 If you make a request in a form acceptable to us that you wish to undertake a full withdrawal from your Onshore Bond and you return your Onshore Bond documents, then we will forward instructions to your investment manager or, if applicable, the platform, for the assets invested through your Onshore Bond to be sold. Once the proceeds of sale have been received, we will process the payment of those proceeds to you after deduction of all product charges and any other outstanding debits. We will pay you an amount equal to the value of units remaining allocated to your Onshore Bond. We will calculate the amount payable by using the unit price next determined after we receive your request or, if later, the day after we receive all our other requirements for making payment. You should be aware that payments due upon a full withdrawal typically take at least 10 business days to reach you, subject to any delay which may occur as set out in paragraph 13.3.
- 13.5 We will then proceed to close the Onshore Bond on your behalf. If for any reason any monies or funds are received after the closure of your

Onshore Bond, we will pay them directly on to you on a periodic basis with the exception of payments of amounts less than our minimum amount, which is currently £10 (ten pounds). Payment of a full withdrawal will release Countrywide Assured from its obligations under the Onshore Bond, but this does not prevent you from bringing a claim against Countrywide Assured in the event that any act or omission by us is established. If a full withdrawal occurs and initial adviser fees are still due to be paid from the Onshore Bond, payment of those fees will cease and you will remain responsible for settlement of any adviser fees due directly with your adviser.

Partial, ad hoc and regular withdrawals

- 13.6 If you make a request in a form acceptable to us, part of the value of your Onshore Bond may be encashed and paid to you. We will accept your request and put it into effect provided the total remaining value of your Onshore Bond after any withdrawal is at least equal to our stated minimum amount at that time. Please see the *Onshore Bond features and charges* document for further details.
- 13.7 Regular withdrawals from your Onshore Bond are available as a fixed monetary amount, or as an annual percentage of the total premiums paid to your Onshore Bond. If you make a request in a form acceptable to us you may make regular withdrawals from your Onshore Bond subject to a maximum percentage per annum of the total amount of premiums paid for your Onshore Bond (please see the application form and the *Onshore Bond features and charges* document). You may choose the frequency and payment dates of regular withdrawals from the options set out in the application form. Regular withdrawals shall cease automatically when the value of your Onshore Bond is less than the amount of the regular withdrawals or there is insufficient liquidity in the assets to meet such payments.
- 13.8 We will cancel a number of units allocated to your Onshore Bond in order to make payment in respect of a partial and/or regular withdrawal. The number of units cancelled shall be equal in value to the amount of payment you have requested. In the case of a partial withdrawal, we will

calculate the number of units using the unit prices next determined after we receive your request. In the case of regular withdrawals, we will use the unit prices for a date before the payment is due so as to ensure that you receive the payment by the date you specify. Each payment in respect of a partial and/or regular withdrawal will release us from our obligations under your Onshore Bond to the extent of the value of the units cancelled.

- 13.9 We will arrange for payment in accordance with your withdrawal instructions to be made to your nominated bank account by BACS, Faster Payments or CHAPS. Ordinarily this will take up to 10 business days, subject to any delay which may occur as explained in paragraph 13.3. If you should request that payment be made by CHAPS then this will be charged on a transfer-by-transfer basis and debited from your Onshore Bond. Further details on the charges that apply may be obtained from us or your adviser.
- 13.10 If you elect to make regular withdrawals, these will be deducted in equal proportions from all the policies comprising your Onshore Bond. If you make a single or ad hoc withdrawal, you will need to confirm in a form acceptable to us whether you wish this to be in equal proportions from all the policies comprising the Onshore Bond or for whole policies to be encashed.

14. Death benefit

- 14.1 On the death of a sole life assured, we will pay the death benefit. If there is more than one life assured named in the policy schedule, the death benefit will be paid either on the first or last of the lives assured to die as specified in the policy schedule.
- 14.2 On receiving written notice of the death of a life assured that brings about the payment of the death benefit, we will instruct the investment manager, or the platform (if applicable), to sell the assets to which the value of the Onshore Bond is linked.
- 14.3 The death benefit is 100.1% of the value of the units remaining allocated to your Onshore Bond after all assets have been sold and the proceeds of sale have been transferred to it and after deduction of all applicable charges, tax and costs. We will calculate the

value of units using the unit prices next determined after we receive written notice of the death of the life assured.

- 14.4 Payment will only be made when all of our requirements have been met, including evidence of death of the relevant life assured, and entitlement to benefit has been established to our satisfaction. The payment of the death benefit brings the Onshore Bond to a close and will release Countrywide Assured from all obligations under the Onshore Bond.

15. Assignment of your Onshore Bond

- 15.1 At the absolute discretion of Countrywide Assured, you may assign your Onshore Bond in whole or in part by assignment of constituent whole policies, to another party (the assignee). You shall be required to obtain Countrywide Assured's prior written consent and give written notice to Countrywide Assured of the third-party assignee and the proposed date that the assignment will take place.
- 15.2 Acceptance by Countrywide Assured of an assignment will be subject to the assignee agreeing to such terms and conditions (including the terms and conditions of third parties) as Countrywide Assured may provide at that time. In addition, any proposed assignment is subject to the continuation of appointment of an adviser and/or investment manager by the assignee.
- 15.3 All costs, fees and charges associated with effecting such assignment will be debited from your Onshore Bond.
- 15.4 We reserve the right to refuse to accept a notice of assignment, for example where the assignee does not meet the eligibility criteria.
- 15.5 The acceptance of a notice of assignment will not lead to the creation of a new Onshore Bond. Where an assignment results in constituent policies, which together make up an Onshore Bond, being owned by different persons, each owner will be subject to these terms, including the charges as outlined in the *Onshore Bond features and charges* document.
- 15.6 It should be noted that we are not able to provide advice on the suitability or otherwise of assigning your Onshore Bond, nor can we comment on any tax implications that may arise. You should speak to your adviser and, if necessary, seek legal and taxation advice before making any decision to assign your Onshore Bond in whole or in part.

15.7 If you have elected to manage investments via a platform, any assignment may also be subject to the platform's terms and conditions.

16. Cash balance

16.1 A sufficient amount of cash must be maintained at all times in your Onshore Bond to cover charges, fees, operating expenses, investment costs, withdrawals, statutory levies and tax charges, where appropriate, and any other debits that may arise. If you have elected to manage investments via a platform, a cash account will be held by the platform in accordance with its terms and conditions and interest on any cash account will be determined by the platform.

16.2 If there is insufficient cash in your Onshore Bond to meet any costs and charges, we reserve the right to request your adviser, investment manager or platform (as applicable) take steps to sell assets held to meet any such costs and charges. You should be aware that the sale of assets for these purposes may occur at a disadvantageous time or may result in a tax charge for which we shall not be liable. If there are no liquid assets in your Onshore Bond any fees and charges shall become due from, and payable by, you.

17. Charges applicable to your Onshore Bond

Our charges

17.1 You agree to pay our annual administration charge in respect of the services provided to you under these terms. You hereby authorise us to deduct the annual administration charge as soon as reasonably practicable after it falls due from the cash in your Onshore Bond.

17.2 The annual administration charge is a percentage charge applied to the value of your Onshore Bond. The annual administration charge is tiered and the tiers are stated in the *Onshore Bond features and charges* document, which also sets out the minimum annual charge. The annual administration charge is calculated and deducted from the Onshore Bond by unit cancellation, on a monthly basis, using the valuation of your Onshore Bond on or about the last business day of the month. If you have elected to manage your Onshore

Bond investments via a platform, our annual administration charge shall be deducted from the cash held by the platform.

17.3 You should note that we reserve the right to charge additional fees for additional services. If we agree to provide an additional service, you will be notified of the relevant charge beforehand.

17.4 Our charges, as set out in these terms, may be subject to change due to a number of reasons. Therefore, we reserve the right to vary our charges where we believe it is necessary, fair and reasonable to do so. This may include, for example:

- (a) changes to the way or manner in which we provide our services (including changes in technology) or to reflect any changes in the cost of providing our services;
- (b) to reflect market conditions and general good industry practice;
- (c) to take account of changes to the law, regulation, codes of practice or the way in which we are regulated; or
- (d) to take account of a decision by any court, ombudsman, regulator or similar.

17.5 Where we decide to vary our charges in the manner described above, we will only do so where we have provided you with a reasonable period of advance notice. We would anticipate that in most cases we would communicate any changes to our charges in writing to you no less than one calendar month before those changes take effect. However, such advance notice may not be possible where a charge or levy is imposed as a consequence of legal or regulatory change. You should note that we will not give advance notice of any increase in charges where such increase is, in our reasonable opinion, likely to result in an increase of a minimum amount. For these purposes we consider a minimum amount to be £10 (ten pounds).

17.6 Your adviser is responsible for notifying you of the additional charges which may apply to your Onshore Bond. We shall not be responsible for meeting such charges. If there is insufficient cash and/or assets in your Onshore Bond to meet your charges these will become due and payable by you.

Investment manager charges

17.7 Your investment manager is responsible for notifying you of any applicable investment management fees and charges. Where you have authorised the payment of such charges from your Onshore Bond, your investment manager's charges will be deducted by the platform (if applicable) otherwise they will be deducted by us.

Platform charges

17.8 If you have elected to manage your Onshore Bond investments via a platform, you will also be responsible for paying any platform costs and charges in accordance with the platform's terms and conditions. You authorise us to permit the platform to deduct all applicable costs and charges from your Onshore Bond.

Adviser fees

17.9 The payment of adviser fees may be facilitated from your Onshore Bond in the manner described in our *Client guide to adviser charging* and subject to your signed adviser fee instruction. The amount, rate or level of such adviser fees will be as you have agreed and indicated in the adviser fee instruction that we receive from you. We are not responsible for agreeing any adviser fees. Payments to your adviser will either be deducted before investment in your Onshore Bond (in respect of initial adviser fees), or will be deducted from the Onshore Bond by the cancellation of units, (in respect of ad hoc and ongoing adviser fees), then paid to your adviser accordingly. You should speak to your adviser if you would like more information on adviser fees.

17.10 Any instruction from you to increase, stop or vary adviser fees will be subject to the conditions described in the adviser fee instruction.

18. Statements

18.1 We will maintain records of the transactions undertaken for you or in respect of your Onshore Bond. We will send to you a statement each year with a summary of your bond holdings. If you have elected to manage your investments via a platform, the platform provider will also be responsible for providing regular reports and valuations in accordance with the platform provider's terms and conditions.

18.2 We rely on the reports and information supplied by third parties (such as the platform, if applicable) in order for us to produce our statements for you. Consequently there may be some delays and that information may be subject to certain assumptions and estimates implemented by the ultimate provider of that information. While we will of course reasonably endeavour to make sure that the information we provide to you is accurate, we cannot guarantee that this will always be the case and therefore we cannot accept liability for any losses that might result as a consequence of errors in information provided by third parties.

19. Changing your mind

19.1 When we receive your application form we will let you know that you can change your mind. You will have 30 days from the date you receive that notice to cancel your Onshore Bond. You must sign and return the cancellation notice to us within that time. If you decide to cancel we will return your money but if this has already been invested by the time you tell us to cancel your Onshore Bond, we may make a deduction for any loss which arises from the sale of your investments. This may mean that you receive less than the original amount you placed with us.

19.2 If your Onshore Bond is held in joint names, we require all applicants to sign cancellation notices in order to effect cancellation. The cancellation notice must be sent to, and received at, our address set out in paragraph 32 of these terms.

19.3 In respect of the monies returned to you following a cancellation, we will deduct any payments that we may have made to your adviser. You may still be liable to your adviser under your agreement with them.

20. Closing your Onshore Bond

20.1 We may at our discretion close your Onshore Bond in the following circumstances:

- (a) following receipt of a court order or any other official order legally binding on us which requires us to close your Onshore Bond;
- (b) your Onshore Bond falls below the required minimum balance;

- (c) you have, without our prior agreement, assigned your Onshore Bond to a third party;
- (d) in order to comply with legal or regulatory requirements;
- (e) we decide to stop providing the services described in these terms;
- (f) you act fraudulently and/or you have provided information which is incorrect, inaccurate or misleading and which causes (or could potentially cause) us significant damage; or
- (g) in the event of an ongoing breach of the investment restrictions as set out in these terms.

20.2 We will, wherever we can, give you advance notice if we propose to close your Onshore Bond and typically we will try to give you at least 30 days' written notice. We will confirm the closure date to you in writing and will not accept any further instructions from either you or your adviser from that date. On the date at which your Onshore Bond is closed, assets held will be sold and, along with any cash balance remaining, will be paid to your bank or building society account.

20.3 We will not be liable for any fees, costs or expenses which may be incurred in the closure of your Onshore Bond. You may be liable for certain tax charges when your Onshore Bond is closed.

20.4 You will appreciate that closing your Onshore Bond will not automatically stop any transactions that are already in progress (except for any adviser fees) which are to be paid from your Onshore Bond. These terms and the terms which apply to any third parties involved will continue to remain in force until all such transactions have been completed and outstanding liabilities have been satisfied.

21. Conflicts of interest

21.1 Please refer to our *Conflicts of interest policy*, which is available on request. Conflicts of interests or potential conflicts of interests which may arise in the course of providing services to you are managed in accordance with the *Conflicts of interest policy*. In the unlikely event that a material conflict of interest arises such that we believe that we are unable to provide services to you, we will disclose this interest to you with a view to ensuring your fair treatment.

22. Minor non-monetary benefits

22.1 We may give or receive minor non-monetary benefits to/from some of the firms with whom we work in order to offer you a better service. Such benefits may include information relating to financial instruments or investment services; participation in conferences, seminars and training events; and minor hospitality (such as food and drink during a business meeting, conference, seminar or training event). Any costs we incur in provision of such benefits will not affect the charges you pay for our service. Further information regarding these arrangements is available on request.

23. Changes to these terms

23.1 We can amend any of the terms on which we provide our services to you or in respect of your Onshore Bond by giving you at least 30 days' written notice, unless shorter notice is required in order for us to comply with applicable laws and/or the regulator's rules. This would be for reasons such as:

- (a) in order to make them fairer and/or more easily understandable;
- (b) to correct a mistake (provided that this correction would not adversely affect you);
- (c) to reflect a change in the law or any regulation (or the way in which such laws and/or regulatory requirements are applied);
- (d) to reflect a change in technology, to cover an improvement or change in our services or in the facilities that we provide;
- (e) to reflect a change in market conditions or the overall cost of providing our services to our clients; or
- (f) to ensure the good management or competitiveness of our business.

23.2 Nothing in this paragraph shall affect our right to vary our fees and charges in respect of the services provided to you under your Onshore Bond, in accordance with paragraph 17 of these terms.

23.3 We may transfer our rights under these terms to any associate (as defined in the regulator's rules) and arrange on your behalf for it to assume our obligations to you so long as the associate is appropriately authorised and is bound

by the regulator's rules of conduct in the context of investment business. We will advise you in advance if this happens, let you know the name of the associate and provide you with a right to withdraw. If you do not withdraw from these terms, you agree that we will be released from our obligations to you once this has been done, and that these terms will apply to the provision of services by the associate as if it were a party to these terms.

24. The nature and risks of investment

- 24.1 Your adviser or investment manager (and not Countrywide Assured) is responsible for:
- (a) assessing whether the Onshore Bond and the choice of assets is suitable for you; and
 - (b) explaining the nature and the risks of the Onshore Bond, the assets that determine the value of your Onshore Bond and, if applicable, the services provided by the platform.
- 24.2 You should ensure that you understand the information supplied by your adviser or investment manager and refer to them if you have any questions.
- 24.3 We are not permitted, nor agree, to provide investment advice or investment management services and we will not be responsible for advising you on any matter in relation to: whether you should take out an Onshore Bond; whether you should use the services of an investment manager; whether you should invest in a particular asset or whether your Onshore Bond investments should be managed via a platform.
- 24.4 Subject at all times to our duties and obligations under applicable laws and the regulator's rules, we reserve the right to delay, suspend or refrain from carrying out the payment of any benefits or withdrawals under your Onshore Bond in circumstances which we reasonably determine constitute a period of market volatility and/or circumstances where we reasonably determine that a purchase or sale of an asset may unfairly exploit the timing of market prices or may indicate a short-term trading strategy. This may affect the value of your Onshore Bond and we shall not be responsible for any loss in value which may occur.

25. The limitation on our liability

- 25.1 We will not be liable for any losses incurred by you due to any advice or instructions given to you by your adviser, or any investment instruction or decision you may agree with your adviser, or any act or omission of your adviser, investment manager or platform, as applicable.
- 25.2 Nothing in these terms will exclude or restrict to an extent prohibited by the regulator's rules, any duty or liability which we may have under the regulatory system (as defined under the regulator's rules) and nothing in these terms will exclude any obligations we may owe under common law generally.
- 25.3 Subject to the regulator's rules and to these terms, we shall only be liable to you for any loss or damage you may suffer as a direct result of any services we provide to you to the extent such loss arises as a result of fraud, negligence or wilful default by us or any employee. We shall not be liable to you for indirect or consequential loss, nor for loss of profit or loss of business. Nothing in these terms excludes liability for death or personal injury caused by our negligence or the negligence of our employees or agents, or for fraud.

26. Taxation

- 26.1 While the Onshore Bond offers potential tax benefits, you and your adviser or professional tax adviser are solely responsible for the management of your affairs to your best advantage for tax purposes.

27. Your classification and protection

- 27.1 As our client, we are required by the regulator to give you a specific classification. We have classified you as a 'retail client' which generally attracts the highest level of protection under the financial services' regulatory regime in the UK.
- 27.2 As a retail client, you may be eligible to claim compensation from the Financial Services Compensation Scheme (FSCS) if Countrywide Assured are declared in default and are unable to meet liabilities to you. If you are an eligible claimant, the FSCS currently provides cover for 100% of the policy value in the unlikely event of Countrywide Assured becoming insolvent.

27.3 Money held in the CASFS designated client money accounts are segregated from CASFS' own funds, but will be pooled with money held on behalf of other CASFS clients. This means that your money held by CASFS will be held as part of a common pool of money, so you will not have a claim against a specific sum in a separate account; rather your rights will vest in the client money pool. In the event of a bank failure the designated client money account is not pooled with any other type of client money account. If a default by a bank occurs and a shortfall arises, your claim in relation to money held will be limited to a share of the money held in the designated client money account with the bank. The banks we use are independent of us and we do not accept liability for any default or delay in distribution of funds in the unlikely event that a bank fails.

27.4 Further information, including details of the extent and level of cover are available from the FSCS website (www.fscs.org.uk) or on request from our head of compliance. You should note that certain clients such as large trusts may not have access to the Financial Services Compensation Scheme.

28. Joint accounts

28.1 Where our clients comprise more than one person (such as trustees), your obligations to us will be joint and several and any reference in these terms to you as the client shall be construed, where appropriate, as a reference to any one or more of you together. Accordingly, any warning or other notice which is given to one of the persons constituting our client will be regarded as being given to all persons constituting the client.

28.2 If one of you wishes to give instructions on behalf of all parties constituting the client, you must give standing written instructions to your adviser. Your adviser will then notify us in writing about these. In the absence of such standing instructions, we may require instructions from one party to be co-signed by all the persons constituting the client (or, in the case of trusts, by at least two trustees); or, in the case of such other persons as we may allow as applicants from time to time under such signing authorities as we may prescribe. Furthermore, once we

have been notified in writing by the adviser that one or more joint holders no longer consents to the other joint holders giving instructions on their behalf, we (and the adviser) will require further instructions to be co-signed by all persons constituting the client.

28.3 Where there is a change of joint holders other than as a result of death, for example a trustee retiring, your adviser should be notified in writing. Your adviser will then notify us in writing about this.

28.4 Where our client is a trust, the liability of the trustees under these terms shall be limited, in the absence of fraud, to the assets of the trust from time to time.

29. Power of attorney

29.1 We may only accept instructions by an individual holding a power of attorney with your prior written authority, or due to your physical or mental incapacity. We will only accept the original power of attorney or a certified copy. For physical incapacity it must be accompanied by a written declaration by the person signing the application. In the case of mental incapacity, the power of attorney must be registered and stamped by the Court of Protection.

30. Handling your information

30.1 In the course of providing our products and/or services to you, we will receive information from and about you and we will act as data controller, which means we are responsible for deciding how we hold and use your personal data. We take the security of your personal data very seriously. We will only process your personal data in accordance with applicable data protection laws. Further information about the way in which we use your personal data is set out in the application form and our *privacy statement* which is available on our website at www.countrywideassured.co.uk.

31. General

31.1 We shall not be liable for any failure or delay in performance of any obligations under these terms arising from or attributable to acts, events, omissions or accidents beyond our reasonable control.

- 31.2 These terms are governed by, and should be interpreted in accordance with, English law and you and we both submit to the exclusive jurisdiction of the English courts. We will communicate with you, and you will communicate with us, in English in respect of these terms and the Onshore Bond.
- 31.3 If any provision of these terms is found by any court or other authority of competent jurisdiction to be illegal, invalid or unenforceable in whole or in part, that provision (or part-provision) shall, to the extent required, be deemed not to form part of these terms, but that shall not affect the legality, validity or enforceability of any other provision of these terms.
- 31.4 Save as where expressly provided by these terms, a person who is not a party to this agreement shall have no rights under the Contracts (Right of Third Parties) Act 1999 to enforce any of its terms.
- 31.5 We will pay the appropriate benefits in sterling to the person who has established to our satisfaction that they are entitled to receive them.

32. If you have a complaint

- 32.1 We will at all times follow the procedure laid down by the regulator's rules for the effective consideration and proper handling of complaints from our clients. If there is any disagreement on matters covered by these terms, either party must attempt to resolve such disagreement by submitting their complaints to each other in writing. In the unlikely event that a complaint cannot be resolved, you may have a right of complaint direct to the Financial Ombudsman Service under whose authority you may have a right to compensation. The Financial Ombudsman Service offers investors, without charge, an independent consideration of complaints made against firms authorised and regulated by the regulator. A statement is available from our Head of Compliance on request, detailing the main points of the ombudsman system and the way it operates. You should note that certain clients such as large companies, trusts and pension funds may not have access to the Financial Ombudsman Service, however the Onshore Bond is not available for large companies and pension funds.

- 32.2 If your complaint is not dealt with to your satisfaction, you should contact the Financial Ombudsman Service at the following address:

Financial Ombudsman Service,
Exchange Tower,
London E14 9SR
T 0300 123 9 123
www.financial-ombudsman.org.uk

- 32.3 If your complaint relates to a function carried out by your adviser, your investment manager or the platform, as applicable, we shall refer your complaint to the relevant person in accordance with the regulator's rules.

33. Notices and our address

- 33.1 Save as where otherwise provided under these terms, all written notices, instructions or requests in relation to the Onshore Bond will only be accepted if sent by post to the address set out below. Notices sent by first class post shall be deemed to have been received on the third business day after dispatch. We may, at our discretion, accept communications by fax, email or other electronic means.
- 33.2 All notices or queries should be sent to our head office at:

Countrywide Assured
One Temple Quay
1 Temple Back East
Bristol, BS1 6DZ

You may make general enquiries by telephone or email:

T 03330 155 600
E enq@countrywide-assured.co.uk
www.countrywideassured.co.uk

Telephone calls may be monitored and recorded for training purposes.

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enq@countrywide-assured.co.uk
countrywideassured.co.uk