

POLICY CONDITIONS

Tax-exempt Easypay Savings Plan

This policy is issued on the basis of the proposal and declaration received and in consideration of the payment of Premiums shown in the Schedule.

- 1** The policy consists of these conditions, reference Tui10809, and the Schedule carrying the same reference.
- 2** From the commencement date until any benefits are paid out in accordance with the conditions of the policy, the Policyholder will be a member of the Society and shall be subject to the rules of the Society. A copy of the rules may be obtained by any member on application to the Society.
- 3** The funds belonging to the Society shall alone be liable to meet the claims in respect of this Policy and no Board Member, employee or member shall be personally liable to any action suit, claim or demand made under the terms of this Policy.

POLICY CONDITIONS

1 Nature of the policy

The policy is a qualifying endowment policy which is entitled to a share in the profits of the Society and for the purposes of taxation legislation is declared to be tax-exempt business. An endowment policy is a contract designed to pay a lump sum after a specified term or in the event of the Life Assured's death.

2 Definitions

“Actuary”:	The Actuary to the Society.
“Annual Bonus”:	An amount that is normally added to the Guaranteed Sum Assured each year. The Board decides how much this bonus should be, based on advice from the Actuary. These bonuses are not guaranteed to be added. Once they are added, they are guaranteed.
“Board”:	The Board of Directors of the Society.
“Commencement Date”:	The date shown as such in the Schedule.
“Final Bonus”:	An amount paid out in addition to the Guaranteed Sum Assured and Annual Bonuses when the plan matures or on death of the Life Assured. This bonus is not guaranteed to be added.
“Guaranteed Sum Assured”:	An amount equal to 75% of the Premiums payable over the Policy Term. This is the amount to which bonuses will be added.
“Life Assured”:	The individual upon whose life the payment of the benefits under the policy depends.
“Maturity Date”:	The date shown as such in the Schedule.
“Maturity Value”:	The Guaranteed Sum Assured plus attaching bonuses which shall from time to time be determined by the Society.
“Policyholder”:	The person who owns the insurance policy.

“Policy Anniversary”:	Any anniversary of the Commencement Date.
“Policy Term”:	The period from the Commencement Date to the Maturity Date, both dates inclusive.
“Policy Year”:	Any period of one year commencing on the Commencement Date or any Policy Anniversary.
“Premium(s)”:	The sum payable, in accordance with the Schedule, by the Policyholder to the Society in consideration for the benefits that the Society will provide in administering the policy.
“Premium Amount”:	The Premium Amount in respect of the policy as shown on the Schedule.
“Premium Frequency”:	The Premium Frequency in respect of the policy as shown on the Schedule.
“Schedule”:	The Schedule on the face of the policy, including any amendments made by endorsement after the issue of the policy.
“Society”:	Communication Workers Friendly Society Limited.

3 Premiums

- i) If the Policyholder is an employee of the Royal Mail, Parcelforce, British Telecom, Communication Workers Union or Communication Workers Friendly Society, Premiums may be payable weekly or monthly by deductions from pay. If the Policyholder leaves employment then future Premiums shall be paid by monthly direct debit. (In the case of individuals in receipt of pensions from Royal Mail or BT pension schemes, deductions can also be made from the pension payments being made). Alternatively, any of these individuals may choose to pay Premiums by monthly direct debit from the commencement of the policy.

Where the Policyholder is not employed by one of these organisations Premiums will be payable by monthly direct debit from the Commencement Date.

- ii) The maximum Premium payable each year under this policy will not exceed the statutory limits applicable to the tax-exempt business of a friendly society.
- iii) Premiums are payable either weekly or monthly and must be of equal amounts. The Policyholder will pay Premiums to the Society for the duration of the policy or until the death of the Policyholder if earlier in accordance with the Premium Amount and the Premium Frequency as set out in the Schedule attached to these terms and conditions.

- iv) The Premium Amount being paid cannot be altered. However, it is possible to change the Premium Frequency from weekly to monthly or vice versa. If there is a change of frequency the Society will convert the monthly Premium to weekly or vice versa by calculating what the equivalent Premium should be (on the proposed frequency) for the same Guaranteed Sum Assured. Where there is a delay between switching from one frequency to another a daily Premium rate will be calculated and the outstanding amount will be requested by the Society.

4 Cancellation

The Policyholder has a cooling off period after taking out a policy during which he/she may cancel the policy. The Society will send the Policyholder a statutory notice of his/her right to cancel the policy when it accepts the Policyholder's application. If the Policyholder provides written notice to the Society within 30 days of receiving this, the Society will cancel the policy and return in full any Premiums paid. The notice should be sent to: **Communication Workers Friendly Society Limited, 150 The Broadway, London SW19 1RX.**

If the Policyholder does not exercise their right to cancel the policy within this cooling off period it will continue and the Policyholder will be required to pay the agreed Premiums in accordance with these terms and conditions.

5 Benefits

The Guaranteed Sum Assured plus any bonuses will be payable upon whichever of the following events occurs first provided that the policy remains in full force:

- i) The death of the Life Assured whatever the circumstances.
The amount payable will be the Guaranteed Sum Assured plus any accrued Annual Bonuses. In addition a Final Bonus may be paid. Where the policy is in arrears the amount of arrears will be deducted from the death benefit payable.
- ii) The policy reaches its Maturity Date.
- a) The amount payable will be the Guaranteed Sum Assured plus accrued Annual Bonuses. A Final Bonus may be paid in addition. Where the policy is in arrears the amount of arrears will be deducted from the maturity benefit payable.
- b) If the policy has a term of 15 years or more the Society guarantees that the minimum payment at maturity will at least equal the Premiums payable over the term of the policy as long as all Premiums have been paid.
- c) The Maturity Date will either be the 60 or 65th birthday of the Life Assured or an anniversary date at least ten years after the Commencement Date as shown in the policy Schedule.

6 Arrears

Thirty days of grace are allowed for the payment of each Premium. If any Premium is missed the policy continues in force for 12 months from the first unpaid Premium unless the Policyholder or the Society surrenders the policy in accordance with these conditions.

During the 12 month period the policy may be brought fully up to date by payment of all arrears. The Society will offer the Policyholder the option to pay arrears off as a lump sum or by spreading the payment. No interest will be charged on the arrears.

Where a policy has been in arrears for a continuous period of 6 months the Society will ask for a signed declaration of good health from the Life Assured.

If the policy reaches 12 months from the first unpaid Premium with any arrears still uncleared then the policy will be cancelled and the surrender value, if any, is payable.

7 Surrender

- i) The Policyholder can surrender the policy at any time by giving written notice to the Society. To surrender the policy the Policyholder must send:
 - a) written notice; and
 - b) the policy certificate; or
 - c) a lost policy declaration if the policy certificate is not available;
to the Society's registered address: Communication Workers Friendly Society Ltd, 150 The Broadway, London, SW19 1RX.
- ii) The Society will surrender the policy:
 - a) upon receipt of the Policyholder's written notification and the policy certificate or lost policy declaration;
 - b) on the first anniversary of the actual due date of any missed Premium where the amount in arrears is still outstanding; or
 - c) where the Policyholder has been in arrears for a continuous period of 6 months and fails to provide a declaration of good health at the Society's request.

8 Surrender Value

If the Policyholder has paid 12 months worth of Premiums or more during the life of the policy the Society will make a payment to the Policyholder on surrender (the "surrender value"). The surrender value will be based on the value of the assets attributable to the policy less an allowance for the costs of processing the surrender.

If less than 12 months' Premiums have been paid then no payment will be applicable.

9 Investment

The Society will employ professional investment managers to invest money on behalf of the Policyholder in the Society's With-Profits Fund in a range of stocks and shares, government securities, corporate bonds, property, cash and such other investments that it may make from time to time on the advice of its professional investment managers or the Actuary.

10 Expenses

The Society will pay expenses on behalf of everyone investing in the With-Profits Fund. The Society will take these expenses directly out of the fund each year before calculating how much it can pay to Policyholders as bonuses. The expenses the Society will take from the fund (which can vary from year to year) include the following costs:

- i) setting up and maintaining records;
- ii) providing life insurance cover and other guarantees;
- iii) our investment managers' remuneration (where appropriate);
- iv) advisers' and introducers' remuneration (where appropriate);
- v) issuing plans and other documents;
- vi) providing protection for our members and their interests, through our membership of the Financial Ombudsman Service and the Financial Services Compensation Scheme; and
- vii) collecting and investing members' payments.

11 General

i) Bonuses

The distribution of surplus and declaration of bonuses shall be determined from time to time by the Board on the advice of the Actuary.

ii) Taxation and special circumstances

- a) The Society will make deductions from the With-Profits Fund in respect of its actual or potential liability to any tax or levy which the Actuary considers relevant. The amount deducted to cover the tax or levy will be determined by the Board with the advice of the Actuary.

- b) The conditions and benefits conferred under the policy may be varied by the Society if:
- There is a change in the law or taxation affecting the policy;
 - The Society’s right to invest in a particular investment is altered by legislation or otherwise; or
 - There is a change in circumstances which the Board, in consultation with the Actuary, reasonably considers makes it impractical or impossible to give full effect to the Policy conditions.

Any variation will be limited to such as the Board (advised by the Actuary) considers appropriate to enable the conditions and benefits to operate as nearly as possible to the original policy. The Policyholder will be notified of any change that may reasonably be thought to disadvantage him/her and the circumstances giving rise to it 30 days prior to such a change where possible.

- c) This policy is issued under the rules of the Society and on the basis of the statements given in the application form or any other written statement which has been made by the Policyholder. In the event of any conflict between these policy conditions and the aforementioned rules, the latter shall prevail. A copy of the rules may be obtained by any member on application to the Society.

iii) With-Profits Guide

Information relating to the Society’s management of its With-Profits Fund is provided in A Guide To How We Manage our With-Profits Business. This leaflet is available on request and can also be found on the Society website at www.cwfs.co.uk.

iv) Categorisation of members

The Society is required under the Financial Services Authority (FSA) rules to categorise its members. All the Society’s members are categorised as “Retail Clients” which affords our members the highest level of protection under FSA rules.

v) Law

The law of England and Wales will apply to this policy.

vi) Queries and complaints

For further information or if you wish to complain about any aspect of the service you have received, please write to the **Communication Workers Friendly Society Limited, 150 The Broadway, London, SW19 1RX** or freephone on **0800 064 0654**.

If your complaint is not dealt with to your satisfaction you can then refer to:

**The Financial Ombudsman Service,
South Quay Plaza, 183 Marsh Wall, London E14 9SR
Helpline: 0845 080 1800
Switchboard: 020 7964 1000**

Making a complaint will not prejudice your right to take legal proceedings.

vii) Compensation Scheme

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. (From 1st January 2010 the maximum compensation will be 100% of the first £50,000). Further information about compensation arrangements is available from the Financial Services Compensation Scheme, you can contact them on: **020 7892 7300** Fax: **020 7892 7301**

Or you can write to them at:

**Financial Services Compensation Scheme,
7th Floor Lloyds Chambers, Portsoken Street, London E1 8BN**