

Terms and Conditions for the Child Trust Fund

Purpose

This document governs your relationship with Police Mutual Assurance Society Limited ("Police Mutual") and sets out our respective rights and responsibilities.

Introduction

These Terms apply to your investment in the following Police Mutual product (a "**PM Product**");

- Child Trust Fund - Balanced Growth Fund (CTF)

Section A contains general terms that apply to all PM Products.

Section B also applies specifically to the Child Trust Fund.

When we accept your application to purchase a PM Product, these Terms, your Application and Key Information Document will together be a binding agreement (the "**Agreement**") between you and Police Mutual.

This is an important document. Please read it carefully and keep a copy safe so that you can refer to it in the future.

SECTION A General Terms and Conditions

Police Mutual Assurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. Police Mutual Assurance Society Limited is on the Financial Services Register (reference number 110050). Police Mutual's Head Office is situated in the UK.

How members are categorised

We classify you as a Retail Client. This means that you are entitled to the greatest level of regulatory protection available under the FCA rules.

Conflicts of interest

In line with the FCA Rules, we have a written conflicts policy that sets out the types of conflicts or potential conflicts of interest that affect our business and provides details of how these conflicts are managed. Where we can't ensure that risks of damage to the interests of our customers will be prevented, we will disclose appropriate information on the conflict.

Liability

We will manage your plan with due care and diligence, in accordance with the Key Information Document, Terms and the CTF Regulations. We are responsible to you for any loss, injury or damage suffered by you due to our negligence or fraud; any material breach by us of these Terms; or any failure, delay (that was within our control) or error by us in carrying out your instructions. However, we will not be liable to you for any indirect or unforeseeable losses, costs, claims, demands, expenses or any other liabilities whatsoever (including any demands or claims by HMRC) due to unforeseen circumstances beyond our reasonable control.

Proof of identity

To meet money laundering regulations we may check your identity online with a reference agency. The agency will add a note to your credit file to show we've checked, but this information won't be available to third parties - and it won't affect your credit rating.

Term of the Agreement

Our Terms will apply for as long as you are invested in the CTF. You may terminate our Agreement at any time. See your Key Information Document for details.

Variation of the Agreement

The terms of the Agreement, including the charges we apply, may vary as a result of:

- Changes in our products or services, the cost of them, or the way we provide them (including adjusting charges to reflect the changes in inflation);
- Improvements to our services which are to your advantage;
- Changes we may reasonably make in existing and new activities;
- Changes in the law, or its interpretation, codes of practice or regulations;
- Complying with a decision, requirement or recommendation by a court, ombudsman or regulator;
- Correcting an error;
- Protecting our financial strength in the interests of all our members;
- Harmonising the charges concerned following an acquisition, transfer or merger; or
- In the case of CTFs where there is a change in the HMRC CTF Regulations that brings our Terms into conflict with them.

We will always give you at least 30 days' notice in writing before changing these Terms or otherwise include it in your yearly statement where this is not possible. You can end the Agreement with us by closing your investment or transferring your CTF to another provider if you are not happy with any changes we propose to make. No termination charge is made for this.

Assignment of Rights and Obligations

We will not transfer the rights and obligations under our Agreement with you to a third party otherwise than in accordance with applicable law and the FCA Rules or as directed by the FCA. If we do, we will exercise all due care, skill and diligence in assessing whether such third party will apply adequate measures to protect your money and whether it will do so in accordance with the FCA Rules.

Governing Law

Your plan is governed by the law of England and Wales. CTFs are also subject to the CTF Regulations; in the event of any conflict between these Terms and the law and the CTF Regulations, the law and the CTF Regulations will prevail.

Language

All correspondence will be in English.

SECTION B Additional Terms and Conditions for CTFs

Investment in the CTF

- The CTF will be opened when the cancellation period has ended
- The CTF must be held in the name of one child for their benefit and the plan will be in the beneficial ownership of the child
- A child can only have one CTF
- Each plan takes the form of a life insurance plan, the title to which is in the name of the registered contact and plan documents will be held by the registered contact. The registered contact makes decisions about the plan on behalf of the child
- There can only be one registered contact at a time. They must be over 16 and have parental responsibility for the child
- When the child reaches their 16th birthday, the current registered contact automatically gives up their responsibility for the account. The child may then choose to become the registered contact, in which case only they can give instructions for their plan. If the child chooses not to become the registered contact, the account will be managed in line with the latest instructions received from the previous registered contact
- The Balanced Growth Fund is a Stakeholder CTF. It is a government requirement that Stakeholder CTFs must meet certain minimum standards:
 - allow transfers without penalty
 - accept one off payments from £10
 - apply an Annual Charge of no more than 1.50% of plan value
 - invest in a range of different assets so that the Fund is well diversified

These minimum standards do not provide a guarantee of performance or mean that a Stakeholder CTF will be suitable for the child.

Management of the CTF

The manager of the CTF is Police Mutual Assurance Society Limited. The registered contact appoints and authorises Police Mutual as the child's Child Trust Fund provider to manage the account in line with the instructions they give and current and future CTF Regulations.

We may delegate any functions or responsibilities under this Agreement to another person, but only once we're satisfied that any such person is competent to carry them out.

Transfers out

Subject to the CTF Regulations you can ask us to:

- Transfer all of the amount in the CTF, with all rights and obligations of the parties, to another HMRC approved CTF manager who agrees to accept the transfer (within 30 days)
- It isn't possible to transfer out part of your plan

There are no charges for transfers.

It is not possible to move money from the Balanced Growth Fund to any other Police Mutual investment Funds.

Terminal Illness

If the child becomes terminally ill, they can access the money in their plan and make unlimited withdrawals. The child's parent or guardian has to apply to the Board of HMRC to authorise this. Please contact us for more details.

Records and Tax

We will keep all records relating to your CTF according to the CTF Regulations. We will make tax returns to HMRC and will give you all the tax information the CTF Regulations say we must provide.

We will claim any tax credits on the child's behalf and make any necessary claims in respect of tax deductions relating to the investments and income from them, in line with UK tax regulations. We will also be entitled to give all relevant information and documents required by HMRC under UK regulations to them.

Voiding - We will contact you if your CTF has lost or will lose its tax advantages because it does not meet the requirements of the CTF Regulations.