

Global Portfolio Bond Addendum

(Effective 1 January 2019)

Please read this addendum, sign it (all applicants), and submit with the other application documents to allow us to process your application.

Part A: Singapore Accredited Investor Declaration

Contract Number

Client Name(s)

Introduction

In an effort to meet your investment needs, Friends Provident International Limited (FPIL) may be able to offer certain products ("Restricted Securities") to you, which can only be made available to "Accredited Investors" as defined under the Securities and Futures Act ("SFA"), Section 4A.

Offering Documents

FPIL strongly recommends that you read and fully understand the offering documents, prospectus, fact sheets terms and conditions or other relevant material for your chosen investments so that you have information about and can accept the levels of risk associated with them.

Accredited Investor Suitability of Investments

Please obtain from your financial adviser details and information about the various risks that may be present if you opt in to an Accredited Investor status.

Meeting the Minimum Criteria for an Investor

As an Accredited Investor, you are expected to have adequate knowledge to assess the prospectus and any other material that describes the chosen investment and are sufficiently experienced to understand the structure and risks associated with the chosen investment.

Specific Declarations

These declarations apply at the time of the initial investment and remain valid for the duration of the investment and should be kept in a safe place.

- I/we declare that I/we have the adequate knowledge and experience to assess the investments prospectus and/or such other marketing material associated with it, together with any advantages and risks that may arise.

AND

- I/ we are an 'Accredited' Investor as defined under Section 4A of the Securities and Futures Act (Cap.289) ('SFA') as an
 - An individual:-
 - Whose net personal assets exceed in value SGD 2 million or its equivalent in a foreign currency (net equity of an individual's primary residence can only contribute up to half or SGD 1 million of the SGD 2 million threshold) or such other amount as the Monetary Authority of Singapore (MAS) may prescribe in place of the first amount; or
 - Whose income in the preceding 12 months is not less than SGD 300,000 (or its equivalent in a foreign currency) or such other amount as MAS may prescribe in place of the first amount.
 - A corporation:-
 - With net assets exceeding SGD 10 million in value (or its equivalent in a foreign currency), as determined by the most recent audited balance-sheet of the corporation; or
 - Where it is not required to prepare audited accounts regularly, with net assets exceeding SGD 10 million in value as determined by a balance sheet of the corporation certified by the corporation as giving a true and fair view of the corporation state of affairs as at the date of the balance sheet in the preceding 12 months.
 - Which is wholly owned by investors who are Accredited Investors or who would be eligible to be Accredited Investors.
- A trustee:-
 - Of a trust of which all property and rights of any kind whatsoever held on trust for the beneficiaries of the trust exceed SGD 10 million; or

b) Of a trust in which all the beneficiaries are Accredited Investors or would be eligible to be Accredited Investors

Confirmation of Opt In to Accredited Investor Status

From 8 January 2019, an Opt-in regime is implemented in Singapore whereby by default you will be deemed to be a retail investor unless you opt in to 'Accredited Investor' as defined above. Please tick the box(es) below only if you wish to opt in:-

Joint Policyholders

A joint policyholder who is otherwise individually not eligible for Accredited Investor status is allowed by law to be treated as an Accredited Investor if the other policyholder is an Accredited Investor.

First (or only) Applicant

Second Applicant

Further Declarations

- I am/we are sufficiently experienced to understand the features and risks associated with an investment of this type and fully accept them personally; and
- I/we confirm that, where appropriate, I/we have taken independent advice on the suitability of this investment within my/our overall investment portfolio; and
- I am/we are aware that where an investment is aimed at experienced investors as defined by the local laws of the investment I/we meet the regulatory requirements to invest in accordance with the relevant terms and conditions, where applicable.
- I/we understand the value of my investments could go up or down and may result in the loss of part or all of my/our investments.
- I/we confirm that I am/we are aware that fees may be payable within the investments and that these fees exist partly to meet promotion and distribution expenses of the investment, including commission paid to my/our advisor. This commission is separate and in addition to any commission paid by FPIL to my/our advisor on the FPIL contract.
- When FPIL receives an instruction to invest in a Deposit, Structured Deposit, Government or Corporate loans stocks and other such credit rated instruments, I am/we are aware and comfortable with the rating allocated by the leading rating agencies, and the associated risks.
- I/we acknowledge that my/our chosen investments may not be regulated in the country of my/our residence, and therefore may be subject to the local regulation of the relevant jurisdiction.
- I/we understand that an investment into a financial instrument could restrict FPIL's ability to realise the cash value from the investment at any time, which may affect FPIL's ability to pay a surrender, partial surrender or death claim in a timely manner, thus leading to a delay in the cash settlement of the claim. Reasons for this could be (but not exclusively) due to lock-in periods, suspensions or longer redemption periods. Such events will be detailed in the relevant prospectus. FPIL reserves the right to transfer ownership of the investments to me/us in discharge of their liabilities under the contract.
- I/we agree that FPIL is not responsible for any liability, loss or consequential loss to my/our contract, arising from my/our investments. FPIL does not approve any asset as a suitable investment and do not make any endorsements in relation to the details or materials connected with assets that I/we choose to invest into.
- I/we hereby understand and accept the aforementioned declarations by signing the below.

First (or only) applicant

Second applicant

Signature(s)

Date (DD/MM/YYYY)

Part B: Isle of Man Financial Services Authority – (Conduct of Business) (Long Term Business) Code 2018: –

Definition of Investor Status, Extension of Cooling Off Rights & Investor Declarations

Introduction

The Isle of Man (IOM) Financial Service Authority (FSA) has undertaken regulatory developments that revise the IOM regulatory framework for insurance business. One of the key developments was to issue mandatory rules that set out how authorised companies operate. These are the Insurance (Conduct of Business) (Long Term Business) Code 2018 (the Code).

This Addendum provides you with important information about how the Code affects you. Where this information differs, compared to existing documentation, this Addendum takes precedence.

This Addendum forms part of your application for your Friend Provident International Limited (FPIL) product. Together with the application form, policy/ contract terms and conditions, the policy/ contract schedule and any endorsements issued by us it shall be deemed to be incorporated into the policy/ contract.

In their Guidance Notes to the Code the FSA state:

“... where an insurer has made available assets for linking to its portfolio bond products that are stated to be suitable only for experienced, sophisticated or professional categories of investor, the Authority considers it appropriate for insurers to take steps to determine that the policyholder meets the criteria for investment in the chosen asset, including obtaining informed consent from the policyholder. This may be in the form of disclosure to the policy and informed consent / certification by the policyholder that he or she is of the required investor status for the asset / fund.”

The revised rules are effective from 1 January 2019 and impact all businesses which fall within the jurisdiction of the FSA. This Addendum is part of FPIL's actions to comply with the requirements of the Code and includes:

- definition and declaration of the status of the investor;
- changes to cooling-off rights; and
- changes to investor declarations.

Definition and Declaration of the Status of the Investor

Accordingly, FPIL requires that you declare your investor status. Your investor status defines the assets that you may invest in through your policy. By ticking one of the below boxes you are declaring to FPIL that you meet the definition as detailed below:

Retail

Non-Retail

Your investor status will then be used by us to understand and process what types of asset you wish to invest in through your policy/ contract. You should let us know whether you wish to hold retail or non retail assets. If you do not tell us we will assume you are a retail investor and wish to hold retail assets only.

If the policy is held in trust, this, and any additional declarations required in relation to non-retail investments, must be signed by the underlying client(s) and reflect their knowledge and circumstances, rather than that of any appointed pension trustees.

To assist with client classification, FPIL's definitions of a retail and non retail investor are:

Retail Investor:

A retail investor is an investor who is not a non-retail investor.

Non-Retail Investor:

A non-retail investor is one who possesses the specialist knowledge and experience that allows them to understand how complex assets operate and who has the net worth to stand the risk to capital consistent with investing in such assets. They may be qualified as a non-retail investor as:

1. A government, governmental institutions and authorities, or the companies fully owned by any of the aforementioned.
2. International bodies and organizations.
3. A person or entity licensed to engage in a commercial business, provided that one of the purposes of its business is managing investments, including:
 - a. A person, body corporate, partnership, trust or other unincorporated association whose ordinary business or professional activity includes acquiring, underwriting, managing, holding or disposing of investments, whether as principal or agent or giving advice about investments;
 - b. Any director or partner of or consultant to a person referred to in paragraph (a);
 - c. A functionary to a professional investment vehicle or an associate of a functionary to a professional investment vehicle;

- d. An employee, director or shareholder of or consultant to a person in (c) who is acquiring the investment as part of his remuneration or an incentive arrangement or by way of co-investment;
 - e. A trustee of a family trust settled by or for the benefit of one or more persons referred to in paragraphs (c) or (d);
 - f. A trustee or operator of any employment benefit or executive incentive scheme or trust established for the benefit of persons referred to in paragraphs (c) or (d) or their dependents;
 - g. A government, local authority, public authority or supra-national body in the Isle of Man or elsewhere.
4. Each applicant is a natural person who declares that their individual annual income is not less than £250,000, or their individual net equity, with the exception of their main home, exceeds £1,000,000.

Cooling Off Rights

You will now be able to cancel your investment up to 30 days from the day you receive the cancellation notice and contract documents. You will receive a refund of the payment less a deduction for shortfall to reflect any fall in the markets in the interim and, where applicable, less any initial fee which was facilitated by us to your financial adviser. The cancellation period begins when you receive the cancellation notice and all contractual documentation and lasts for 30 days. If you wish to cancel you should follow the instructions in the cancellation notice.

A separate cooling off period will now also apply to a subsequent premium in relation to that new premium only.

Investor Declarations

Further, before you proceed with an investment into any eligible assets through your policy/ contract, FPIL must also ensure that you are aware of the nature and possible risks associated with that investment. FPIL therefore requires you to make the following declarations and sign below to confirm that you accept them:

- a) I/we understand that I/we may choose the investments to which my/our policy/ contract is to be linked. I/ we have read and fully understand the prospectus, offering document or fact sheet including in particular the information on risks associated with this type of investment before deciding to invest.
- b) I/we acknowledge that it is my/our responsibility to ensure that the investment is suitable for me/us, considering my/our underlying investment objectives and attitude to risk.
- c) I/we acknowledge that some of the investments made available by FPIL may be Experienced, Professional, Qualified or Sophisticated Investor Funds as defined under applicable legislation. I/we realise that these types of investment are not intended for general sale to retail investors.
- d) I/we have declared my/our investor status on this declaration and I/we understand that if I/we do not declare this, FPIL will assume I am/we are a retail investor.
- e) I am/we are aware that FPIL will be regarded by the asset manager as the investor for the purposes of investment.
- f) In all cases I/we acknowledge that FPIL has the right to decline any investment without providing a reason.
- g) For investment into non retail assets, I/we acknowledge that FPIL will require me/us to sign an additional declaration confirming that I/we qualify and meet the required criteria to be able to invest before placing the trade. I am/we are aware and acknowledge that the purchase of investments may be delayed until this declaration is received by FPIL.
- h) I/we acknowledge that FPIL will not pool the assets of multiple policyholders investment's to meet the minimum investment criteria for an asset / fund. Initial and subsequent investments must meet the minimum premium contributions as described by local regulatory requirements or as defined in the prospectus or equivalent offering documentation.

	First (or only) applicant	Second applicant
Signature(s)		
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