

POLICY DOCUMENT
FOR THE NFU MUTUAL
FLEXIBOND



The person named in the **schedule** as the **policyholder** has become a member of The National Farmers Union Mutual Insurance Society Limited “NFU Mutual” (see the memorandum and articles of association of NFU Mutual for details of what this means) and has proposed to NFU Mutual for insurance cover.

This policy document and the **schedule** with it (“the **policy**”) set out the terms of the contract between NFU Mutual and the **policyholder** named in the **schedule**. Any alteration to the **policy** (“**endorsement**”) will also form part of the **policy**.

In return for payments made by the **policyholder** to NFU Mutual, **we** will pay the benefits of the **policy** to the **policyholder** or any other person who is entitled to receive them under the terms and conditions of the **policy**.

Signed on behalf of NFU Mutual on the **start date** stated in the **schedule**

A handwritten signature in black ink, appearing to read 'CK Thomas', written in a cursive style.

Charlotte Thomas
Head of Operations (Life Services)

POLICY TERMS AND CONDITIONS

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1. DEFINITIONS

The definitions below give the meanings of words **we** use throughout **policy** terms and conditions 1 to 15 and in the **schedule**, where they will appear in **bold** text. They do not apply to **policy** condition 16, which has specific defined terms contained within it.

Throughout the **policy** words that **we** use in the singular will also include words in the plural, and words of the masculine gender will also include those of the feminine, unless the context requires otherwise.

A reference to an Act of Parliament, or other regulation, includes any amendments or replacements after the date this **policy** is issued.

“**assignment**” means the legal transfer of ownership of the **policy** by the **policyholder** (the assignor) to another person or company (the assignee) – as evidenced by a notice of assignment.

“**collective investment scheme**” means an arrangement that allows investors to pool their money rather than buying stocks and shares directly such as, for example, an Open-Ended Investment Company (OEIC) or a unit trust.

“**due date**” (if applicable) means the day in each month or year, as stated in **your schedule** when **regular payments** should be paid. If **you** begin investing **regular payments** after the **start date of your policy**, **we** will advise **you** of the due date in the confirmation **we** send to **you** under condition 4.2.4.

“**endorsement**” means a signed document **we** may issue to confirm an alteration or amendment to the **policy**. It forms part of the **policy**.

“**fund**” or “**funds**” means one or more of the investment-linked **funds** mentioned in condition 8 or the With-Profits Fund mentioned in condition 9, where **your lump sum** or **regular payments** can be invested.

“**fund switch**” means moving (some or all of) **your** investment from one **fund** to another, by selling **units** in one **fund** and buying **units** in another **fund**.

“**fund value**” is calculated as the number of **units** in a **fund** multiplied by the **unit price**. For the With-Profits Fund this does not include any **terminal bonus**.

“**life assured**” means any person named in the **schedule** whose life is covered by the **policy**.

“**lump sum payments**” means a single payment **you** make for investment into the **policy**.

“**market value reduction (MVR)**” means a reduction **we** may make when **you** take money out of the With-Profits Fund, or switch **your** investment into one of the investment linked **funds**. The aim of the **MVR** is to ensure that policyholders who remain invested during poor market conditions do not lose out because other **policyholders** take their money out of the **fund**.

“**policy**” means the policy document and the **schedule** with it.

“**policyholder**” means the person named in the **schedule**, or an assignee, who is the legal owner of the **policy**.

“**policy value**” means the total of all the **fund values**. If **you** have invested in the With-Profits Fund, this includes any **terminal bonus** that applies.

“**policy year**” means the 12 month period from the **start date**, and each following year.

“**registered office**” means the registered office of The National Farmers Union Mutual Insurance Society Limited, which is at Tiddington Road, Stratford upon Avon, Warwickshire, CV37 7BJ.

“**regular bonus**” means a bonus **we** may add to investments in the With-Profits Fund. **We** will add any regular bonuses in increments when **we** calculate the daily **unit prices**. **We** announce the level of regular bonus at least once each year; it can go up and down and there is no guarantee that **we** will add a regular bonus each year.

“**regular payments**” means a series of payments **you** make – either monthly or yearly; on the **due dates**, which are invested into the **policy**.

“**regular withdrawals**” means an arrangement where **you** regularly withdraw pre-agreed amounts from **your policy** during a **policy year** at pre-agreed intervals.

“**schedule**” means a schedule issued as part of this **policy**, including any amendments made to it by **endorsement** and/or by the issue of replacement **schedules**.

“**shadow fund units**” means the notional **units** that represent **your** share of the With-Profits Fund. The value of these **units** goes up and down with the value of the underlying investments in the **fund**.

“**smoothing policy**” means a method **we** use to smooth **policy** values when the investment value of the With-Profits Fund fluctuates. Information about **our** smoothing policy is included in **our** ‘Principles and Practices of Financial Management’ document, which **you** can request from **our registered office**, or from **our** website nfumutual.co.uk

“**start date**” means the date when the **policy** starts, as shown on the **schedule**.

“**terminal bonus**” means an additional bonus **we** may pay when **you** sell **units** from the With-Profits Fund, or when **we** pay the death benefit. It represents **your** share of any profits that have not already been paid out as **regular bonus**.

“**unit**” means one of the equal parts into which each **fund** (or series within a **fund**) is notionally divided as described in conditions 7 and 9.

“**unit price**” means the price for each **unit** in a **fund** which **we** use for both buying and selling **units** in the **fund**.

Each **fund** (or series within a **fund**) has a **unit price** which **we** calculate for each **working day** on the next **working day**.

For the investment-linked **funds** **we** calculate the **unit price** for any **fund** using the value of investments held by the **fund** at close of business that day, as explained in condition 8.3. The calculation is made the next **working day**.

For the With-Profits Fund the **unit price** **we** calculate each **working day** at close of business is dependent on any **regular bonuses** decided by **our** Board of Directors and the annual charge under condition 6.

The **unit price** that applies for any **working day** will be calculated by close of business on the next **working day**. It will be available to use for transactions on the **working day** after the date of calculation.

“**we**”, “**us**” or “**our**” means The National Farmers Union Mutual Insurance Society Limited (“NFU Mutual”).

“**With-Profits units**” means the **units we** create when a payment is invested in the With-Profits Fund. The value of these **units**, before the deduction of the annual charge under condition 6, may increase, by the addition of **regular bonuses**.

“**working day**” means a day when the London Stock Exchange is open for business. If a transaction would fall on a day which is not a working day it will be held over until the next working day.

“**you**” or “**your**” means the **policyholder**, or the **policyholder’s** legal personal representative or any person **we** are satisfied is authorised to act on the **policyholder’s** behalf.

2. IF THE POLICY COVERS TWO LIVES

Any reference to the singular person (except in relation to any reference to the payment of the death benefit) will apply to both of them.

3. OCCUPATION, TRAVEL OR RESIDENCE

This **policy** is not restricted by the occupation, travel or residence of the **life assured**, unless the **schedule** states otherwise.

4. YOUR PAYMENTS INTO THE POLICY

4.1 **You** can make **regular payments** and/or **lump sum payments** to the **policy**.

4.2 Regular payments

4.2.1 If **you** invest **regular payments** **you** must pay them by direct debit, or such other method of payment **we** agree to.

4.2.2 **You** can choose to invest **regular payments** from the **start date** of the **policy**, or from a later date. After the **start date** **you** may request a change to the amount of any **regular payments**, and such change will take effect on the next **due date**.

4.2.3 To do this:

- (a) **you** must give **us** 30 days’ notice before a **regular payment**, or a change to a **regular payment** amount, will start. **Your** notice must be in writing to **our registered office**, unless **we** have notified an alternative method of communication to **you**,
- (b) **your regular payments** must not be less than the minimum amount **we** require at the time. **We** may change the minimum amount from that which **we** notified before the **start date**, for any of the reasons set out in condition 13. **You** can request details of the up to date amounts from **our registered office** at any time.

4.2.4 **Your** application to invest **regular payments**, or to change their amount, will only start once **we** have confirmed this to **you** in writing, or by any alternative method of communication **we** have notified to **you**.

4.2.5 **We** will request **regular payments** from **your** bank account, of the agreed amount and at the agreed intervals, until **you** inform **us** of a change, or until the **policy** ends.

4.2.6 **Regular payments** not made in accordance with this condition 4.2 will be treated as **lump sum payments** and subject to condition 4.3.

4.3 Lump sum payments

4.3.1 If **you** invest **lump sum payments** **you** must pay them by cheque, direct credit or such other method of payment that **we** agree to.

4.3.2 **You** may invest **lump sum payments** at, or at any time after, the **start date**.

4.3.3 To do this:

- (a) **you** must apply in writing to **our registered office**, unless **we** have notified an alternative method of communication to **you**,
- (b) **your lump sum payment** must not be less than the minimum amount **we** require at the time. **We** may change the minimum amount from that which **we** notified before the **start date**, for any of the reasons set out in condition 13. **You** can request details of the up to date amounts from **our registered office** at any time.

4.3.4 **Your** application to invest a **lump sum payment** will only start once **we** have confirmed this to **you** in writing, or by any alternative method of communication **we** have notified to **you**.

4.4 Terminating payments

4.4.1 **We** may stop accepting further **regular payments** or **lump sum payments** to the Flexibond from all **policyholders** for any of the reasons set out in condition 13.

4.4.2 **We** will give **you** 60 days’ advance notice if **we** intend to stop accepting payments. This notice will be in writing, or by any alternative method of communication **we** choose to use at the time.

4.4.3 If **we** stop accepting payments the **policy** will continue, subject to all of the other conditions.

5. HOW WE INVEST YOUR PAYMENTS

5.1 **We** will offer **you** a choice of one or more **funds** in which to invest **your** payments. **We** will invest the whole of **your regular payments** and/or **lump sum payments**, less the charges in conditions 6.2 and 6.3, in the **funds** **you** choose.

5.2 **We** divide each **fund** into **units**. Every payment **you** make will buy a number of **units** in the **funds** **you** choose.

6. THE CHARGES WE TAKE

6.1 The annual charge we take from each fund

6.1.1 Each time **we** work out the value of a **fund** **we** will take a charge from that **fund**. This will reduce the value of the **units** in that **fund**. Each **fund** has its own annual charge.

6.1.2 The annual charge for all **funds** is currently 1%, except for the With-Profits Fund on policies that started on or after 22 May 2017, which has a charge of 1.1%. This charge is higher to contribute towards the cost of guarantees associated with the **fund**.

- 6.1.3 **We** take a fraction of the annual charge from the **fund** at each valuation. The fraction **we** take is 1/365.25 of the annual charge multiplied by the number of days since the last valuation.
- 6.1.4 If one **fund** invests in the **units** of another of **our funds**, **we** will not double charge.
- 6.1.5 **We** may change the annual charge for any **fund** if the cost of managing that **fund** or **your policy** generally, changes. **We** may do this for any of the reasons set out in condition 13.
- 6.1.6 If **we** create a different series of **units** in any **fund** (see condition 8.4.2) **we** may set a different annual charge for those **units**.
- 6.1.7 The maximum annual charge **we** can take is 1.5% a year.
- 6.1.8 **We** will give **you** 30 days' advance notice if **we** change the annual charge. This notice will be in writing, or by any alternative method of communication **we** choose to use at the time.
- 6.1.9 **You** can request details of the up to date annual charge for the **funds** from **our registered office** at any time. **We** will also publish details on **our** website, nfmutual.co.uk.

6.2 The advice charge

- 6.2.1 If **you** have chosen to have some or all of the fee for advice taken from payments to **your** Flexibond, **your schedule** will show the amount of this charge and the period over which it is payable.
- 6.2.2 If **you** increase **your regular payments** or make a **lump sum payment** in the future, the amount of the charge will be shown in the documentation **we** send **you** at the time.
- 6.2.3 The charge will be deducted from **your** payment before any initial charge is taken (see condition 6.3) and before the money is invested into **your** Flexibond.

6.3 The initial charge we take from your payments

- 6.3.1 **We** may take an initial charge from each payment **you** make. This charge will be taken after the deduction of any advice charge that applies (see condition 6.2). **Your schedule** will show the amount of any initial charge which applies.
- 6.3.2 If **you** increase **your regular payments** or make a **lump sum payment** in the future, the amount of the initial charge will be shown in the documentation **we** send **you** at the time.
- 6.3.3 **We** may change the initial charge if the cost of managing **your policy** changes. **We** may do this for any of the reasons set out in condition 13. Any change **we** make would apply to **regular payments you** are making at the time, and future **lump sum payments**.
- 6.3.4 The maximum initial charge **we** can deduct from each **lump sum** or **regular payment** (after any advice charge) is 5%.
- 6.3.5 **We** will give **you** 30 days' advance notice if **we** change the initial charge. This notice will

be in writing, or by any alternative method of communication **we** choose to use at the time.

7. HOW WE CREATE UNITS IN THE FUNDS

7.1 Which funds we create units in

For that part of each payment that is invested **we** will create **units** in the **funds you** choose. **We** will use **your** latest valid instructions telling **us** which **funds** to invest **your** payments in.

7.2 How we calculate the number of units to create

- 7.2.1 When **you** make a **lump sum payment we** calculate the number of **units** by dividing **your lump sum payment**, after deducting the charges in conditions 6.2 and 6.3, by the **unit price** that applies on the date **we** receive **your** cheque, or the date of **your** cheque, if that is later. If **we** agree to accept **lump sum payments** by any other means, the **unit price** will be that which applies on the date **we** receive the payment.
- 7.2.2 If **you** make **regular payments we** calculate the number of **units** by dividing each **regular payment**, after deducting the charges in 6.2 and 6.3, by the **unit price** that applies on the date **we** receive **your** payment.

- 7.2.3 When calculating the number of **units**, **we** round fractions of **units** to the nearest five decimal places.

7.3 How you can change where your future payments are invested

- 7.3.1 **You** can ask **us** to change the **funds** in which **your** future payments are invested. **You** must give **us** 30 days' notice before **your** new instruction is due to start. **Your** notice must be in writing to **our registered office**, or by any alternative method of communication **we** have notified to **you**.
- 7.3.2 **You** can ask **us** to invest future payments in a different **fund**, or split them between different **funds**, subject to the minimum amount **we** have notified to **you**. **We** may change the minimum amount from that which **we** notified before the **start date**, for any of the reasons set out in condition 13. **You** can request details of the up to date amounts from **our registered office** at any time.
- 7.3.3 **You** can choose from the **funds we** are offering for investment at the time **we** receive **your** payment.

7.4 How you can switch investments you have already made from one fund to another

- 7.4.1 **You** can ask **us** to make a **fund switch**. **Your** request must be in writing to **our registered office**, or by any alternative method of communication **we** have notified to **you**.
- 7.4.2 **We** will sell some or all of the **units** in any **fund you** wish to switch from, and buy **units** in any **fund you** wish to switch into. When **we** sell or buy **units** in any particular **fund**, **we** will use the **unit prices** that apply on the **working day we** receive **your** instructions.

- 7.4.3 **We** may apply a **market value reduction** if **you** switch out of the With-Profits Fund (see condition 9.2).
- 7.4.4 **We** can delay a **fund switch** for up to 3 months if **we** consider that, as a result of investment conditions at the time, selling assets from that **fund** would not be in the interest of those who invest in the **fund**.
- 7.4.5 **We** can delay a **fund switch** for up to 12 months if it is from a **fund** that has investments in freehold or leasehold property. This might happen if **we** need to sell some or all of the property in the **fund** to provide money for the switch into the new **fund**.
- 7.4.6 If **we** delay a **fund switch**, **we** will use the **unit prices** that apply at the time the **fund switch** actually takes place, instead of those that applied on the day **we** received **your** instructions.
- 7.4.7 **You** can make up to 12 **fund switches** in each **policy year** without charge. Each subsequent **fund switch** within the **policy year** may be charged at £20. **We** will review this every three years after which the charge may rise. Any increase to the charge will not be above the change in the Consumer Price Index inflation measure since the last change.

8. THE INVESTMENT-LINKED FUNDS

8.1 The choice of funds

- 8.1.1 **We** will offer **you** a choice of one or more investment-linked **funds** where **you** can choose to invest **your** payments.
- 8.1.2 **We** may change the nature of a **fund**, or the number of **funds** **we** offer for **you** to invest in. **We** may:
- introduce a new **fund**,
 - close an existing **fund** to new payments, or to new investors,
 - close an existing **fund** for payments already made.

We will only close a **fund** if **we** consider that it is in the interest of those who invest in that **fund**, either because the **fund** is too small (less than £5m) or because investment conditions or changes in the law or regulation may adversely affect the intended performance or operation of the **fund** or **our** ability to recover the costs of administering the **fund**.

- 8.1.3 **We** will publish up to date information about the range of **funds** **we** offer on **our** website nfumutual.co.uk. **Unit prices** for the With-Profits Fund are not available on the website. **You** can request details of these from **our** registered office.

8.2 Closing a fund

- 8.2.1 **We** have the right to close any **fund**. If this happens:
- you** cannot buy any further **units** in that **fund**, and

- we** can make a **fund switch** of **your units** in that **fund**. **We** will cancel **your units** in the closed **fund**, and create **units** in one or more of the remaining **funds**.

- 8.2.2 If **you** are affected by a **fund** closure, **we** will give **you** 60 days' advance notice. This notice will be in writing, or by any alternative method of communication **we** have notified to **you**. **We** will require **you** to tell **us** within 30 days, and by any method **we** specify at the time:

- which **funds** **you** want **us** to invest any future payments in. For this purpose **we** will buy **units** in the new **funds** as described in condition 7.3, and/or
- which **funds** to switch **your** existing investment into, and the proportions **you** want **us** to use if **you** want it splitting between more than one **fund**. For this purpose the terms described in condition 7.4 will apply for selling and buying **units**.

We will not make a charge or apply a **market value reduction** (as described in condition 9.2) for making a **fund switch** as a result of a **fund** closure.

- 8.2.3 If **we** have not received **your** instructions at the date of closing the **fund**, **we** will switch **your** investment to the Deposit Fund (or any similar **fund** which may have replaced it). This will also apply to any further **units** **we** buy for **you** when **we** receive any future payments from **you**.

8.3 How we value the funds

- 8.3.1 **We** value each **fund** on every **working day**. **We** use the value of a **fund's** assets at close of business (9.00pm) that day to calculate the **unit price**.
- 8.3.2 When valuing a **fund** **we** take into account all the assets within the **fund**. **We** will make reasonable reserves for any tax that may become due on those assets, any uninvested cash held in the **fund** and any amounts **we** have borrowed for the **fund**. **We** also have to allow for any fees, levies or other charges **we** may have to pay for buying or selling assets in the **fund**.
- 8.3.3 **We** will value the assets of each **fund** using the current market prices at which those assets can be bought or sold:
- we** will use the latest quoted Stock Market prices to value any stocks and shares held by a **fund**.
 - we** will appoint independent valuers to value from time to time any freehold or leasehold properties held by a **fund**. **We** may adjust these values, in consultation with the valuer, to take into account any changes in property values since the last such valuation.
 - we** will use the latest published price to value the shares or **units** of any other **collective investment scheme** held by the **fund**.
 - we** will use a reasonable basis, that **we** decide, to value any other assets held by a **fund**.
 - we** will use **our** judgement to value assets held by the **fund** if there is no published value or **we** consider the published value is not appropriate.

8.4 Creating and cancelling units in the funds

- 8.4.1 **We** own the assets of all the **funds**. **We** split each **fund** into **units**. **We** may create, cancel, combine or subdivide **units** in the **funds**. These are notional transactions, solely for the purposes of calculating the value of the **policy** and any benefits that are payable under it.
- 8.4.2 Within any **fund** **we** may decide to create different series of **units**, and **we** may use different **unit prices** for each different series. The **unit price** for any particular series of **units** within a **fund** will be the same for all the **units** **we** create of that series. If **you** wish to invest in a **fund** that has more than one series of **units**, **we** will tell **you** which series of **units** **you** may invest in.
- 8.4.3 **We** will only create new **units** in a **fund** when assets of an equivalent value are added to that **fund**.
- 8.4.4 Assets will not be taken from a **fund** unless **we** cancel **units** of an equivalent value from that **fund**.
- 8.4.5 Investment income from the assets of each **fund** will be added to that **fund**. **We** have the right to deduct amounts from the investment income, to cover any of the following expenses incurred by the **fund**:
- (a) costs of managing, maintaining and valuing freehold and leasehold property,
 - (b) interest payable on any borrowing **we** make for the **fund**,
 - (c) charges under condition 6,
 - (d) taxes, duties or other levies chargeable to the **fund**.
- 8.4.6 **We** have the power to borrow money in connection with any **fund** and use the **fund's** assets as security.

9. THE WITH-PROFITS FUND

- 9.1 When **you** invest a payment in the With-Profits Fund, **you** buy **units** in the **policy** as described in condition 7. **You** buy two types of **units**, **With-Profits units** and **shadow fund units**.
- 9.2 **Market value reduction**
- 9.2.1 When **you** sell or switch all or part of **your With-Profits units**, **we** can reduce the value of those **units** by applying a **market value reduction**.
- 9.2.2 **We** do not use a **market value reduction** unless the value of **your shadow fund units** is less than 90% of the value of **your** corresponding **With-Profits units**.
- 9.2.3 If the value of **your shadow fund units** is 85% or less of the value of **your** corresponding **With-Profits units**, **we** will pay **you** the value of the **shadow fund units**.
- 9.2.4 If the value of **your shadow fund units** is between 85% and 90% of the value of **your** corresponding **With-Profits units**, **we** will pay **you** an amount

between the value of the **shadow fund units** and the value of the **With-Profits units**.

- 9.2.5 **We** have the right to change the trigger points of 85% and 90%. **We** may do this for any of the following reasons:
- (a) if there is a change in the financial position of the **fund**.
 - (b) if the number of policyholders selling **units** changes significantly.
 - (c) if there is a change in **our smoothing policy**.
 - (d) if there is a change in the regulation of the **policy** or the With-Profits Fund.
- Any alteration will reasonably reflect the change that has occurred.
- 9.2.6 If **we** change the **market value reduction** trigger points **we** will notify **you** as soon as reasonably possible after **we** make the change. This notice will be in writing, or by any alternative method of communication **we** choose to use at the time.
- 9.2.7 The **market value reduction** will only apply to the number of **units** being sold or switched.
- 9.2.8 **We** will not apply the **market value reduction**:
- (a) when **we** pay the death benefit under condition 10,
 - (b) to any **regular withdrawals** **you** make during a **policy year** where the total is no greater than 10% of the amount of **your** total payments into the **policy**, or
 - (c) to deductions made to pay for charges.
- 9.3 For commercial or practical reasons **we** may change the investment strategy of the With-Profits Fund. **We** may only do so if **we** consider that it is in the interest of **our** With-Profits policyholders generally, because investment conditions or changes in the law or regulation may adversely affect the intended performance or operation of the **fund**. This will not affect the value of the **With-Profits units** **you** have already bought.

10. WHAT WE PAY ON DEATH AND WHO WE PAY IT TO

- 10.1 The death benefit is the value of all **units** held in the **policy** at the date of death, and any **terminal bonus** **we** may add for any **units** held in the With-Profits Fund, plus an extra 1%. To work out the value, **we** use the **unit price** that applies on the date of death.
- 10.2 If there is one **life assured**, **we** will pay the death benefit when that person dies. If there are two **lives assured**, **we** will pay the death benefit when the second of them dies.
- 10.3 **We** will only pay the death benefit when **we** have received satisfactory proof of the death, and appropriate documentation confirming that the person claiming the death benefit is legally entitled to it.

10.4 **We** will pay the death benefit to the person who is legally entitled to it. The **policy** will end when **we** pay the death benefit and **we** will have no further liability under it.

11. HOW YOU CAN CASH IN ALL OR PART OF THE POLICY

11.1 **You** can ask **us** to sell some or all of **your units** in the **policy**, in return for a lump sum. **Your** request must be in writing to **our registered office**, unless **we** choose to accept an alternative method of communication at the time.

11.2 **We** will sell **units** in **your policy** using the **unit prices** that apply for the date **we** receive **your** instructions.

11.3 If **you** are cashing in part of **your policy**, **we** will divide the amount **you** have requested by the **unit prices** that apply for the date **we** receive **your** instructions.

11.4 **We** can, however, delay selling **units** in any **fund** for 3 months, or in a **fund** investing in freehold or leasehold property for 12 months. This will only be for the same reasons as are set out in conditions 7.4.4 and 7.4.5. If **we** delay selling **units**, **we** will use the **unit price** that applies at the time **we** actually sell the **units**, instead of those that applied on the day **we** received **your** written instructions.

11.5 If **you** have **units** in more than one **fund**, **we** will sell **units** in each of those **funds** in proportion to the amounts held in them.

11.6 **We** may also pay a **terminal bonus** for any **units** held in the With-Profits Fund.

11.7 The total value of **units you** are selling must be at least £100. The value of any remaining **units** must be at least £500. **We** may change these minimum amounts for any of the reasons set out in condition 13. **You** can request details of the up to date amounts from **our registered office** at any time.

11.8 The **policy** will end if **you** sell all of the **units**. **We** will have no further liability to **you** under it.

12. HOW YOU CAN TAKE REGULAR WITHDRAWALS FROM THE POLICY

12.1 **You** can ask **us** to set up automatic **regular withdrawals** from the **policy**. **Your** request to start making **regular withdrawals**, or to change any **regular withdrawals** already set up, must be in writing to **our registered office** or any alternative method of communication **we** have notified to **you**.

12.2 **You** must tell **us** how much to pay **you**, when **you** want the payments to start and how often **you** want **us** to pay it. **We** will sell **units** in **your policy** to pay **you** the agreed amounts at the agreed intervals.

12.3 **We** will calculate the number of **units we** need to sell to pay each of **your regular withdrawals**. **We** will divide **your regular withdrawal** amount by the **unit prices** that apply on the day the withdrawal is due.

12.4 If **you** have **units** in more than one **fund**, **we** will sell **units** in each of those **funds** in proportion to the amounts held in them.

12.5 **We** may also pay a **terminal bonus** for any **units** held in the With-Profits Fund.

12.6 The amount of **your regular withdrawals** must be at least £100.

12.7 When **we** process a **regular withdrawal**, if the value of any **units** that would remain after the **regular withdrawal** is less than £500, **we** will sell those remaining **units** and pay **you** the value along with **your regular withdrawal**. The **policy** will end and **we** will have no further liability to **you** under it.

12.8 **We** may change the minimum amounts that apply to **regular withdrawals** for any of the reasons set out in condition 13. **You** can request details of the up to date amounts from **our registered office** at any time.

13. FUTURE ALTERATIONS WE MAY MAKE TO THE POLICY TERMS AND CONDITIONS

Any alteration to the **policy** under this condition will only be made if there is a change in:

(a) the cost of administration of the **policy** or of fund management,

(b) the tax treatment of the **policy** or the **funds** that, in **our** reasonable opinion, will result in the **policy** being:

(1) uneconomic for **us** to maintain in accordance with the current conditions of the **policy**,

(2) unsuitable or inappropriate for the majority of policyholders to invest further money or retain their existing investment, or

(3) unsuitable or inappropriate for new policyholders to invest in.

14. HOW TO NOTIFY US IF YOU TRANSFER OWNERSHIP OF THE POLICY TO SOMEONE ELSE

You must send the notice of **assignment** to **our registered office**.

15. THE LAW GOVERNING THE POLICY AND CHANGES TO IT

15.1 The law of England will apply to this **policy** unless the **policyholder** has agreed otherwise with **us** before the **policy** is issued.

15.2 In addition to any changes under condition 13, if, during the lifetime of the **policy**, there is a change in the law or in regulation (or how they are interpreted) that directly or indirectly affects the **policy** or the **funds**, **we** may alter the **policy** conditions but any alteration will reasonably reflect such changes. This includes any change affecting the tax treatment of the **policy** or the **funds**.

15.3 If **we** amend or alter the **policy** conditions for this purpose, **we** will issue an **endorsement**. Any **endorsement we** issue will form part of the **policy**.

15.4 **We** may need to make deductions from the **policy**, or alter the benefits payable under it, to meet **our** regulatory or legal obligations under:

- (a) the Financial Services Compensation Scheme,
- (b) the Financial Services and Markets Act 2000,
- (c) any other legal or regulatory requirement affecting the **policy** directly or indirectly.

but any deduction will reasonably reflect such obligations.

16. CHARITABLE ASSIGNMENT CONDITION

This condition forms part of the terms on which YOUR policy is issued. Words printed in capitals in this condition are explained in paragraph 4 below.

- 1 Unless paragraph 3 applies, YOU agree with US and the CHARITY that YOU will transfer to the CHARITY the right to any WINDFALL which YOU would otherwise be entitled to receive in respect of the policy and any renewal or reissue of it.
- 2 To ensure that the agreement YOU have entered into in paragraph 1 can be effectively carried out:
 - (a) YOU authorise US to transfer any WINDFALL direct to the CHARITY;
 - (b) YOU agree to sign any documents and to do anything else which may be needed to transfer any WINDFALL, and YOUR right to receive the WINDFALL, to the CHARITY;
 - (c) YOU appoint US and any of OUR officers and (as a separate appointment) the CHARITY and any of its officers to be YOUR agent to take any of the steps mentioned in (b) above on YOUR behalf;
 - (d) YOU authorise US to provide the CHARITY with any information it reasonably requires about YOU and any policy YOU hold with US, and YOU consent to US and the CHARITY holding and processing such information for this purpose;
 - (e) YOU cannot revoke the authority contained in (a) or (d) above, or the appointment contained in (c) above.
- 3 Paragraph 1 shall not apply in respect of any WINDFALL which arises from a BUSINESS TRANSFER to any company or other body corporate which is at the time of such transfer OUR subsidiary, in circumstances where such transfer is not in any way related to a DEMUTUALISATION or to any sale or other disposal (or proposed sale or other disposal) of such subsidiary.

4 In this condition:

- (a) the “CHARITY” is the NFU Mutual Charitable Trust Limited or, if it ceases to exist, any other charity which becomes entitled to the benefit of the agreement YOU have entered into in paragraph 1;
- (b) “BUSINESS TRANSFER” means a transfer of part or all of OUR business to any other person, firm or company;
- (c) “DEMUTUALISATION” means a change (or proposed change) in OUR constitution or corporate status (whether or not involving or associated with a BUSINESS TRANSFER) which has the effect that WE cease to be a MUTUAL ORGANISATION;
- (d) “MUTUAL ORGANISATION” means a company or other body whose constitution limits membership and voting rights wholly or mainly to persons purchasing goods or services from it or otherwise trading with it;
- (e) “WE”, “US” and “OUR” refer to The National Farmers Union Mutual Insurance Society Limited and any company or other organisation which becomes entitled to all or part of its BUSINESS;
- (f) a “WINDFALL” means any benefit to which YOU become entitled as one of OUR members on or in connection with any future BUSINESS TRANSFER or DEMUTUALISATION;
- (g) “YOU” and “YOUR” refer to “OUR” member under the policy.

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NFU Mutual

The National Farmers Union Mutual Insurance Society Limited (No. 111982).
Registered in England. Registered Office: Tiddington Road, Stratford upon Avon, Warwickshire CV37 7BJ.
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the Prudential Regulation Authority.
To find out more about how we use your personal information and your rights, please go to the Privacy
Policy on our website.

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