

# Flexible Inheritor Plan

from Isle of Man Assurance Limited



## Standard Policy Terms and Conditions

**FLEXIBLE INHERITOR PLAN**

Flexible Inheritor Plan comprises of a single premium unit-linked whole of life assurance policy. Based on an application for Flexible Inheritor Plan the terms and conditions of a life assurance contract with Isle of Man Assurance Limited (hereinafter referred to as "IOMA") are set out in the policy. The Policy is made up of and is subject to:

- (i) the application form for Flexible Inheritor Plan;
- (ii) the Policy Provisions;
- (iii) the Policy Schedule;
- (iv) any Supplementary Policy Schedule(s); and
- (v) any endorsement(s) on the Policy Schedule or any Supplementary Policy Schedule(s)

Signed on behalf of Isle of Man Assurance Limited

Authorised Signatory

Dated the same date as the Policy Schedule

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## GLOSSARY OF TERMS USED IN THE STANDARD POLICY TERMS AND CONDITIONS

**Additional Premium** – A further amount paid by the Policyholder(s) to IOMA subsequent to the Commencement Date and such amount to be allocated to the Policy following acceptance by IOMA of the application for payment of the additional premium.

**Additional Premium Date** – The date upon which IOMA accepts an Additional Premium as set out in the relevant Supplementary Policy Schedule.

**Bond or “Flexible Inheritor Plan”** – Flexible Inheritor Plan underwritten by IOMA and consisting of the Policy.

**Bond Currency** – The currency in which the Bond is denominated as specified in the Policy Schedule.

**Commencement Date** – The date on which the Policy commenced as specified in the Policy Schedule.

**GMSA** – the guaranteed minimum sum assured of the Policy, as specified by the Policyholder(s), up to a limit determined by IOMA on the advice of its actuaries.

**Head Office** – The principal place of business of IOMA in the Isle of Man.

**Internal Fund(s)** – any fund where IOMA is the investment manager, and which is made available by IOMA for purchase into the Portfolio. Internal Funds form part of IOMA’s long-term business fund.

**Investment Manager** – Any investment manager appointed by the Policyholder (or jointly appointed in the case of joint Policyholders) in accordance with paragraph 1.2 of the standard policy terms and conditions.

**Payment Date** – The date in each calendar quarter on which the annual management charge and monthly policy charge are payable in connection with the Bond in accordance with paragraphs 2.2 and 2.3 of the standard policy terms and conditions is deducted from the Portfolio.

**Policyholder(s)** – The holder(s) of the Policy specified in the Policy Schedule or the successors in title of the holder or, if applicable, the assignees of the Policy.

**Policy** – The single premium unit-linked whole of life assurance policy issued by IOMA, the number of which appears in the Policy Schedule.

**Policy Provisions** – The standard policy terms and conditions and any special policy terms and conditions included in the Policy Schedule, any Supplementary Policy Schedule and any endorsement(s) on any of them.

**Policy Schedule** – The policy schedule issued by IOMA which includes details of the Policyholder(s) of the single premium unit-linked whole of life assurance policy issued following acceptance by IOMA of an application for Flexible Inheritor Plan and the number identifying such policy.

**Portfolio** – A separately identifiable portfolio of investments (including uninvested cash), together with any liabilities, which are allocated for the purpose of determining the benefits payable under the Policy but which form part of the assets in the Long Term Business Fund maintained by IOMA to meet its life assurance liabilities.

**Premium** – The amount paid to IOMA in connection with an application for Flexible Inheritor Plan for allocation to the Policy following acceptance by IOMA of that application.

**Supplementary Policy Schedule** – A policy schedule issued by IOMA upon its acceptance of an Additional Premium.

**Transaction Account** – The transaction account maintained by IOMA for the administration of the Bond, in accordance with paragraph 1.4 of the standard policy terms and conditions. Transaction in the Transaction account will be held in IOMA’s long-term business fund.

**Valuation Date** – The date on which the Bond is valued, normally being monthly. Should there occur, in IOMA’s opinion, a material alteration in the assets allocated, directly or indirectly to the Portfolio, IOMA reserves the right at its discretion to value the Portfolio more frequently.

## STANDARD POLICY TERMS AND CONDITIONS

### 1. Details of the Bond

#### 1.1 The Bond

- (1) On the Commencement Date IOMA shall:-
  - (i) establish the Bond; and
  - (ii) credit the Premium to the Transaction Account.
- (2) Although the benefits payable under the Policy are based on the value of the Portfolio, the assets allocated to the Portfolio shall at all times form part of the Long Term Business Fund of IOMA and shall accordingly be beneficially owned by IOMA. Such assets shall be held in the name of IOMA or of a custodian or nominee appointed by IOMA.
- (3) All income and capital arising from the assets allocated to the Portfolio shall be credited to the Portfolio.
- (4) For the avoidance of doubt, IOMA may borrow money in connection with the Portfolio and may use the assets allocated to the Portfolio as security. The liability in respect of any monies borrowed in connection with the Portfolio shall be allocated to the Portfolio but shall, at all times, form part of the general liabilities of IOMA.

#### 1.2 Investment Manager

The Policyholder(s) may at any time request in writing to IOMA the appointment of an Investment Manager to advise IOMA on or to determine the composition of the Portfolio in full or in part. Following such an appointment the Policyholder(s) may request (or jointly request in the case of joint Policyholders) in writing at any time for the replacement of any Investment Manager in such form as IOMA may determine from time to time. The terms and conditions of the appointment of any Investment manager shall be subject to the detailed provisions of an investment advisory agreement entered into by the Policyholder(s), IOMA and the Investment Manager and subject to the Policy Provisions.

#### 1.3 Asset Allocation

- (1) The composition of the Portfolio will be determined by the Policyholder(s) or the Investment Manager giving valid instructions to IOMA in accordance with paragraph 3.1(3) below subject to:
  - (i) paragraph 1.3(5) below; and
  - (ii) any limits or restrictions imposed by IOMA regarding:
    - (a) the minimum size of any holding of assets allocated to the Portfolio; and
    - (b) the balance in the Transaction Account.

The Investment Manager or the Policyholder(s) may only recommend purchases of assets for allocation to the Portfolio from the range of Internal Funds made available by IOMA and any others selected from the range of pooled assets specified by IOMA or otherwise specifically agreed by IOMA from time to time as being eligible to be purchased for allocation to the Portfolio, and subject to any maximum or minimum limits specified by IOMA.

- (2) On receiving a valid request made in accordance with paragraph 3.1(3) below to change the composition of the Portfolio, IOMA will normally process the request:
  - (i) on the first day on which IOMA is open for business after IOMA has received the request;
  - (ii) if the request is to purchase an asset, on the date on which a sufficient amount of cash has been cleared in IOMA's bank account and credited to the Transaction Account (or, if that is not practicable, on the first day on which IOMA is open for business after such date); or
  - (iii) on an alternative date acceptable to IOMA;

Notwithstanding the above, IOMA reserves the right to delay the processing of a request to change the Portfolio's composition if:

- (a) IOMA cannot readily deal in the appropriate assets to the value of the instruction on the processing date as previously described; or
- (b) it is not reasonably practicable for IOMA to process the instruction on that date due to circumstances beyond IOMA's control;

In such circumstances IOMA will normally process the instruction on the first day on which it becomes reasonably practicable for the transaction to be executed after the end of the period of delay.

- (3) Subject to paragraph 1.3(2) above, IOMA will process a valid request made in accordance with paragraph 3.1(3) below to purchase to a total value specified by the Policyholder(s) or Investment Manager an asset for allocation to the Portfolio by:
- (i) purchasing the appropriate assets to the total value specified by the Policyholder(s) or Investment Manager at the prices readily available to IOMA at the time of the purchase; and then
  - (ii) debiting the Transaction Account on the due date for settlement of the transaction with the purchase price, together with all expenses, taxes, duties and charges in connection with the purchase.

For the avoidance of doubt, any assets purchased following a valid request pursuant to this paragraph 1.3(3) will be purchased at not more than the open market buying price.

- (4) Subject to paragraph 1.3(1) above, IOMA will process a valid request made in accordance with paragraph 3.1(3) below to sell to a total value specified by the Policyholder(s) or Investment Manager an asset allocated to the Portfolio by:
- (i) selling the appropriate assets to the total value specified by the Policyholder(s) or Investment Manager at the prices readily available to IOMA at the time of the sale; and then
  - (ii) crediting the Transaction Account on the due date for settlement of the transaction with the sale proceeds, net of all expenses, taxes, duties and charges in connection with the sale.

- (5) Notwithstanding any other term or condition in the Policy Provisions, IOMA has the right, at all times:-
- (i) to determine the suitability of assets for allocation to the Portfolio and the proportions in which they are allocated;
  - (ii) to refuse a request to sell or realise in any other manner any asset allocated to the Portfolio which IOMA considers is not readily realisable;
  - (iii) to refuse a request to buy any asset which IOMA considers to be unsuitable for allocation to the Portfolio; and
  - (iv) to sell or realise in any other manner (including liquidation) any asset allocated to the Portfolio which IOMA considers is, or has become, unsuitable for allocation to the Portfolio.

In exercising its rights under this paragraph 1.3(5), IOMA will take into account, inter alia:-

- (a) any current or proposed legal, regulatory or other official requirements applicable to IOMA, to any Policy comprising the Bond or to the Policyholder(s);
- (b) the need to make the administration of the Bond reasonably practicable and profitable.

IOMA will not incur any liability as a result of exercising its rights under this paragraph 1.3(5), nor will IOMA be required to explain the basis on which it has exercised such rights.

- (c) IOMA will exercise its rights under paragraph 1.3(5) if the value of the Bond reaches the value of the GMSA or less.

- (6) All transactions relating to assets allocated, or to be allocated, to the Portfolio will be effected by IOMA.

#### 1.4 The Transaction Account

- (1) Unless specifically agreed to the contrary, the Transaction Account shall be established in the currency in which the Bond is denominated.
- (2) After the Commencement Date, the Transaction Account, which will be maintained by IOMA as an asset or liability (as appropriate) of the Portfolio, will normally only be used:-
  - (i) to debit the costs of purchasing assets for allocation to the Portfolio, including all expenses, taxes, duties and charges in connection with such purchase;
  - (ii) to credit the proceeds of sales of assets allocated to the Portfolio, net of all expenses, taxes, duties and charges in connection with such sales;
  - (iii) to credit the income received from assets allocated to the Portfolio (unless the income is automatically re-invested in the relevant assets);
  - (iv) to pay all amounts due to the Policyholder(s) in terms of paragraphs 2.7 (regular withdrawals), 2.8 (partial encashment) and 2.10 (death benefit) below;
  - (v) to deduct all fees, charges and other expenses payable in connection with the Portfolio and the Policy in accordance

with the paragraphs 1.4 (transaction account), 1.5 (valuations), 2.2 (the annual management charge), 2.3 (the monthly policy charge), 2.4 (the Investment Manager's charge), 3.1 (administration of the Policy) and 3.3 (permitted deductions) below; and

- (vi) to credit any interest added, and debit any interest charged, to the Transaction Account in accordance with paragraph 1.4 (4) below.
- (3) Unless IOMA otherwise, in its absolute discretion, permits, the Transaction Account must be kept in credit to such minimum amount as IOMA may specify from time to time. IOMA may, at its discretion, sell assets allocated to the Portfolio for the purpose of placing the Transaction Account in credit to the relevant minimum amount and, in doing so, IOMA may take into account any accrued or prospective fees and charges payable in connection with the Portfolio and the Policy in accordance with paragraphs 1.4 (transaction account), 1.5 (valuations), 2.2 (the annual management charge), 2.3 (the monthly policy charge), 2.4 (the Investment Manager's charge), 3.1 (administration of the Policy) and 3.3 (permitted deductions) below. IOMA will sell holdings in the following order to realise sufficient assets to place the Transaction Account in credit: cash or deposits; Internal Funds; external money market funds; external gilt and fixed interest funds; external equity funds; external property funds, any other assets.
- (4) IOMA will:-
  - (i) add interest on a daily basis to the Transaction Account when it is in credit; and
 in each case at such rates as IOMA may fix from time to time, details of which are available by writing to IOMA at its Head Office.

## 1.5 Valuations

- (1) On each Valuation Date IOMA will calculate the value of the Bond in the currency in which the Bond is denominated, unless otherwise agreed. In calculating the value of the Bond, the following will be taken into account:
  - (i) the value of the assets allocated to the Portfolio (including the balance in the Transaction Account);
  - (ii) all monies borrowed in connection with the Portfolio;
  - (iii) any income which has accrued on the assets allocated to the Portfolio;
  - (iv) any accrued or prospective fees and charges payable in connection with the Portfolio and the Policy in accordance with this paragraph 1.5 and paragraphs 1.4 (transaction account), 2.2 (the annual management charge), 2.3 (the monthly policy charge), 2.4 (the Investment Manager's charge), 3.1 (administration of the Policy) and 3.3 (permitted deductions) below; and
  - (v) any provision for expenses, taxes, duties, charges and other liabilities for which the Portfolio (or, to the extent attributable to the Portfolio, IOMA) is, or may become liable.
- (2) For the purpose of calculating the value of the assets allocated to the Portfolio, units or shares in funds of pooled assets will be valued at their most recent closing mid prices available to IOMA on the relevant Valuation Date (as quoted by any relevant medium, including the investment manager of the relevant fund, selected by IOMA);
- (3) If any of the assets or liabilities allocated to the Portfolio are valued in a currency other than that in which the Bond is denominated, their values will be converted into the denominated currency at appropriate exchange rate(s) selected by IOMA.
- (4) IOMA will undertake an ad hoc valuation of the Portfolio on a date which is not a Valuation Date on receiving a valid request for such a valuation from the Policyholder in accordance with paragraph 3.1(3) below. IOMA reserves the right to deduct from the Transaction Account a charge for providing an ad hoc valuation.

## 2. Details of the Policy

### 2.1 The Initial Charge

The initial charge shall be payable at the rate specified in the Policy Schedule and shall be deducted from the initial premium.

### 2.2 The Annual Management Charge

The annual management charge shall be payable at the rate specified in the Policy Schedule and shall be deducted from the Transaction Account on each Payment Date on a pro rata basis.

### 2.3 The Monthly Policy Charge

The monthly policy charge shall be payable at the rate specified in the Policy Schedule. The Monthly Policy Charge shall accrue monthly and shall be deducted from the Transaction Account on each Payment Date.

## 2.4 The Investment Manager's Charge

The Investment Manager's Charge is a fee payable to the Investment Manager which shall be charged at such rate as may be agreed between the Policyholder(s) and the Investment Manager from time to time. The Investment Manager's Charge shall be deducted quarterly in arrears from the Transaction Account on each Payment Date (or at such other intervals and on such other dates as IOMA and the Investment Manager may agree).

## 2.5 The Fund Management Charge

The fund management charge is a charge payable within any internal IOMA funds, as specified in the marketing literature from time to time. This charge will be deducted automatically from the fund and will be reflected in the unit price.

## 2.6 Guaranteed Minimum Sum Assured ("GMSA")

- (1) On the advice of its actuaries IOMA will set the maximum value of the GMSA based on the sex and age of the Policyholder(s) as well as the level of withdrawals of capital selected at outset by the Policyholder(s).
- (2) The Policyholder(s) may find the current maximum GMSA values listed in Flexible Inheritor Plan product brochure, as amended from time, or the Policyholder(s) may request the latest values by writing to IOMA at its Head Office.
- (3) The Policyholder(s) will decide (or jointly decide in the case of joint Policyholders) the value of the GMSA, up to the maximum set by IOMA, by indicating this in the appropriate place on the application form. The value so decided by the Policyholder(s) must be a specified sum of money in the currency in which the Bond is denominated. The GMSA shall be incapable of alteration on or after the Commencement Date.
- (4) Any regular withdrawals of capital or partial encashments from the Bond will only be permitted if the value of the Bond does not fall below 110% of the value of the GMSA as outlined in 2.7 and 2.8.

## 2.7 Regular Withdrawals of Capital

- (1) The Policyholder(s) may request (or jointly decide in the case of joint Policyholders) withdrawals of capital from the Bond to be made on a regular basis at such intervals as IOMA may permit, subject to the request being made in accordance with paragraph 3.1(3) below.
- (2) Any regular withdrawals of capital from the Bond in accordance with this paragraph shall be:-
  - (i) subject to any minimum or maximum levels of withdrawal permitted by IOMA from time to time;
  - (ii) permitted only if the value of the Bond after each capital withdrawal will not be below the value of the GMSA; and
  - (iii) paid in such manner as IOMA may specify or otherwise agree with the Policyholder(s).
- (3) Each withdrawal of capital shall be deducted from the Transaction Account. Where regular withdrawals of capital have been requested, IOMA will anticipate such withdrawal by selling assets in the Portfolio in advance of the withdrawal date with a view to ensuring that the Transaction Account is in credit to a sufficient amount for the capital withdrawal, and paragraph 1.4(3) will apply.
- (4) Regular withdrawals shall cease:-
  - (i) automatically if the withdrawal of capital in the amount requested would result in the value of the Portfolio being less than the minimum value of the Portfolio permitted by IOMA or less than the value of the GMSA; and
  - (ii) at the discretion of IOMA if there are insufficient assets allocated to the Portfolio which IOMA considers are readily realisable for the purpose of placing the Transaction Account in credit to a necessary minimum amount in accordance with paragraph 2.7(3) above.

## 2.8 Partial Encashment

- (1) The Policyholder(s) may request (or jointly decide in the case of joint Policyholders) IOMA to encash part of the Policy, subject to:
  - (i) the value of the Bond remaining after the Partial Encashment not being less than the value of the GMSA;
  - (ii) any minimum or maximum levels of payment permitted by IOMA; and
  - (iii) the request being made in accordance with paragraph 3.1(3) below.
- (2) The amount due in respect of any Partial Encashment will be paid to the Policyholder(s) from the amount by which the Transaction Account is in credit in excess of the minimum amount referred to in paragraph 1.4(3) above. If, however, such excess amount is insufficient to meet the payment and subject to paragraph 2.8(4) below, IOMA:-
  - (i) will request from the Policyholder(s) or Investment Manager instructions as to which assets allocated to the Portfolio should be sold to finance the Partial Encashment;



- (ii) delay payment of the Partial Encashment until it has received such instructions, although IOMA may, in the event that no such instructions are received within 30 days of its request for them, sell holdings in the following order to realise sufficient assets: cash or deposits; Internal Funds; external money market funds; external gilt and fixed interest funds; external equity funds; external property funds, any other assets;
  - (iii) sell the relevant assets and transfer the sale proceeds, net of all expenses, taxes, duties and charges in connection with the sale, to the Transaction Account; and thereafter
  - (iv) pay the amount due in respect of the Partial Encashment.
- (3) Where it is necessary for IOMA to sell any assets allocated to the Portfolio to finance the payment of a Partial Encashment, IOMA reserves the right to delay making that payment until the date on which a sufficient amount of cash has been cleared in IOMA's bank account and credited to the Transaction Account (or, if that is not practicable, on the first day on which IOMA is open for business after such date). In addition, IOMA reserves the right to delay processing a request to encash part of the Bond in accordance with paragraph 1.3(3) above.
- (4) Notwithstanding paragraphs 2.7(2) and (3) above, IOMA shall not, for the purpose of financing any Partial Encashment, be obliged to procure the sale or realisation in any other manner of any assets allocated to the Portfolio which it considers are not readily realisable and, if it would be necessary to sell or realise in any other manner any such assets for the purpose of financing all or any part of a Partial Encashment. Under this scenario IOMA will be entitled to refuse the request for a Partial Encashment.
- (5) Upon Partial Encashment, the IOMA will issue an endorsement to the Policy Schedule(s).

## 2.9 Total Encashment

The Bond is not surrenderable and the Policyholder(s) may not make a request for Total Encashment.

## 2.10 Death Benefit

- (1) On the date on which IOMA receives written notification at its Head Office of the death of the life assured (or the second to die of the lives assured in the case of joint Policyholders), IOMA will:-
- (i) cancel any existing arrangements for the payment of regular withdrawals of capital in accordance with paragraph 2.7 above;
  - (ii) credit the sale proceeds of all non-cash assets in the Portfolio, net of all expenses, taxes, duties and charges in connection with any such sale, to the Transaction Account.
- (2) Any sum payable by IOMA on a claim will be subject to payment of the Premium and any Additional Premium and proof satisfactory to IOMA of:-
- (i) the death of the life assured; and
  - (ii) the legal entitlement of the Policyholder(s) or other person claiming the death benefit;

and the return of the Policy Schedule and any supplementary Policy Schedule(s) to IOMA at its Head Office.

- (3) The Policy will terminate on the date on which the requirements set out in paragraph 2.10(2) above are satisfied. IOMA will then pay a Death Benefit equal to the GMSA as determined under paragraph 2.6 above. The Death Benefit equal to the GMSA will be payable by IOMA pursuant to this paragraph 2.10(3) irrespective of the final value of the Portfolio at that date or at any other time.
- (4) On the termination date of the Policy as aforesaid, IOMA will pay an additional Death Benefit calculated as follows:
- (i) the final value of the Portfolio determined in accordance with paragraph 1.5 above; less
  - (ii) the GMSA;
- but if the sum of (i) less (ii) is less than zero then no additional Death Benefit will be paid.
- (5) IOMA may delay paying the Death Benefit payable under paragraph 2.10(3) and paragraph 2.10(4) until all of the sale proceeds of non-cash assets, referred to in paragraph 2.10(1) above, have been credited to the Transaction Account.

## 2.11 Bond Currency

The Premium and any benefits payable under the Policy will be paid in the Bond Currency unless IOMA has agreed to a request (or a joint request in the case of joint Policyholders) from the Policyholder(s) to pay the Premium or to receive the benefits in a currency otherwise agreed to the contrary.

If IOMA agrees to make any payment in a currency other than the Bond Currency, the amount payable to the Policyholder(s) will take into account the exchange rates available at the time of the currency conversion and any costs that may be incurred by IOMA in carrying out the conversion.

## 2.12 Additional Premiums

- (1) The Policyholder(s) may, at any time, apply (or jointly apply in the case of joint Policyholders) to IOMA at its Head Office to pay an Additional Premium in relation to the Policy. If IOMA accepts that application, it will issue a Supplementary Policy Schedule as evidence of the payment and credit the Additional Premium to the Transaction Account.
- (2) IOMA will administer each Additional Premium as if it were a separate Premium. Accordingly, the following paragraphs should be read as if the references to "Policy Schedule", "Premium" and "Commencement Date" were to the "Supplementary Policy Schedule", the "Additional Premium" and the "Additional Premium Date" respectively:
  - paragraph 1.1 (the Portfolio) save that sub-paragraph (i) of that paragraph shall not apply;
  - paragraph 1.4 (the Transaction Account);
  - paragraph 2.1 (the initial charge);
  - paragraph 2.2 (the annual management charge);
  - paragraph 2.3 (the monthly policy charge);
  - paragraph 2.10 (death benefit) save that the additional premium will not enable the amount of the GMSA to change and the value of the GMSA will remain as specified by the Policyholder(s) in the original application; and paragraph 2.11 (Bond currency).
- (3) Any Additional Premium shall be subject to a minimum of £5,000 (or currency equivalent).

## 3. General

### 3.1 Administration of the Policy

- (1) IOMA may employ agents to perform any administrative, management or other ancillary services required to enable IOMA to perform its obligations under the Policy. IOMA will decide the method and the appropriate security procedures it will use when accepting requests and instructions from the Policyholder(s) or the Investment Manager regarding the Policy. In particular, IOMA may require that requests or instructions relating to the administration or management of the assets allocated to the Portfolio be made or given to any agent appointed by it pursuant to this paragraph (and any request or instruction given in accordance with IOMA's requirements will be deemed to have been given to IOMA at its Head Office). In the case of joint applications any request or instruction from the Policyholders must be given jointly unless IOMA has agreed, at its discretion and following a written request jointly from the Policyholders, to accept requests or instructions from either or only one specified Policyholder and such request has not been withdrawn by the Policyholders or IOMA has not withdrawn its agreement. Any request or instruction received from the Investment Manager shall be deemed to have been authorised by the joint Policyholders regardless of any such agreement.
- (2) All requests and instructions received from the Policyholder(s) or the Investment Manager will be applied across the entire Policy, save where the Policyholder(s) has requested regular withdrawals or a Partial Encashment of the Bond in accordance with paragraphs 2.7 and 2.8 above.
- (3) Requests and instructions will only be valid if made or given (or, in accordance with paragraph 3.1(1) above, deemed to be made or given) in writing to IOMA at its Head Office.
- (4) Any notice given, or other communication, by IOMA in connection with the Policy Provisions will be given, or made, in writing and sent by post to the most recent address of the Policyholder(s) as notified by the Policyholder(s) to IOMA in accordance with paragraph 3.1(3) above.
- (5) IOMA may make a charge if the Policyholder(s) instructs or necessitates IOMA to:-
  - (i) pay benefits in a way which is different from IOMA's normal practice or in a currency other than that in which the Bond is denominated;
  - (ii) alter the conditions under which the benefits will be payable; or
  - (iii) IOMA may increase the level of charges payable in connection with the Bond on giving not less than 30 days' prior notice of such increase in accordance with paragraph 3.1(4) above.

### 3.2 Assignment of the Policy

- (1) The Bond may be assigned in whole or in part only with the prior approval of IOMA. IOMA will not be affected by any Assignment of the Policy until it has been notified in writing of that Assignment at its Head Office.
- (2) The Bond may be assigned in part, and specifically the Policyholder(s) may assign (or jointly assign in the case of joint Policyholders) either or both of the Death Benefits under paragraphs 2.10(3) and 2.10(4).

- (3) Save where the Bond is assigned in whole and IOMA expressly permits, all liabilities under the Bond shall remain with the original Policyholder(s) and shall not be capable of transfer.
- (4) Where the Bond or any part is assigned to trustees to hold on trust, the Policyholder(s) shall require those trustees to produce to IOMA a copy of the relevant Trust Deed duly certified by a notary, solicitor or other person approved by IOMA, and the terms of the Trust Deed shall provide that the trustees for the time being of the trust shall on reasonable written notice by IOMA provide the original Trust Deed to IOMA for inspection by IOMA or by such person as may be appointed for the purpose by IOMA.

### 3.3 Permitted Deductions

Should IOMA be required by law to pay any amount concerning the Policy to any government, statutory or regulatory agency or authority (including any levy imposed on IOMA as a result of the Isle of Man Life Assurance (Compensation of Policyholders) Regulation 1991), IOMA may deduct the amount to be paid from the Transaction Account or sell part of the Portfolio allocated to the Bond if there is no sufficient monies in the Transaction Account.

### 3.4 Persons Prohibited from being interested in the Bond

The Bond is marketed at persons with a UK Inheritance Tax liability. However, applications cannot be accepted from US residents or citizens.

### 3.5 Changes in Legislation and Taxation.

IOMA, acting on professional actuarial advice, may make such alterations to the Policy Provisions as it considers appropriate if:-

- (1) it ceases to be reasonably practicable for IOMA to comply with the Policy Provisions as a result of:-
  - (i) any change (introduced, enacted or proposed) in any legal, regulatory or other official requirements applicable to IOMA, the Bond or the Policyholder(s);
  - (ii) a change in the interpretation or application of any such legal, regulatory or other official requirements; or
  - (iii) compliance with any request from any government, statutory or regulatory agency or authority; or
- (2) there are any changes to the basis of taxation which applies to the Policy.

### 3.6 Force Majeure

No liability shall arise if IOMA is prevented from fulfilling its obligations under the Policy by reason of any supervening event beyond its control (including, without limit, any act of god, war, national emergency, fire, flood, strike or industrial action).

### 3.7 Entire Contract

The Policy, as constituted by:-

the application form for Flexible Inheritor Plan;

the Policy Schedule;

any Additional Policy Schedules(s)

any endorsement(s) on the Policy Schedule or any Additional Policy Schedule(s); and

the Policy Provisions;

contains all the terms of the contract between the Policyholder(s) and IOMA and IOMA accepts liability solely in accordance with its terms. IOMA will not be liable in respect of any alleged representation or statement whatsoever differing from such terms, whether express or implied or whether collateral or otherwise and, without prejudice to the foregoing generality, IOMA will not be liable for the acts and omissions of the Investment Manager. For the avoidance of doubt, the Policy will not be valid unless signed on behalf of IOMA by a duly authorised signatory.

### 3.8 Governing Law

The Policy shall be governed by and construed in accordance with English law and the English courts will have exclusive jurisdiction in relation to all disputes concerning the Policy.