

ISLE OF MAN ASSURANCE LIMITED

THE PARMENION OFFSHORE BOND

STANDARD POLICY TERMS AND CONDITIONS

THE PARMENION OFFSHORE BOND

The Parmenion Offshore Bond consists of a minimum of twenty (and maximum of one hundred) identical single premium unit-linked whole of life assurance policies. Each individual Policy is subject to the terms and conditions of a contract with Isle of Man Assurance Limited (hereinafter referred to as "IOMA") based on an application for The Parmenion Offshore Bond.

Your Policy Schedules are enclosed with this document which sets out the terms which apply to and form part of your Policies. This document should be read in conjunction with the Schedules. Together the Schedules account for the total Premium.

Each individual Policy secures a proportion of all the benefits for which you have contracted and is subject to:-

- (i) the application form for the Parmenion Offshore Bond;
- (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)

The Terms and Conditions apply as the context requires to each individual Policy separately and collectively to all of the Policies.

Signed on behalf of Isle of Man Assurance Limited



Authorised Signatory

Dated the same date as the Policy Schedule

CONTENTS

GLOSSARY OF TERMS USED IN THE STANDARD POLICY TERMS AND CONDITIONS

STANDARD POLICY TERMS AND CONDITIONS

	Page
1. Details of the Bond	4
1.1 The Bond	4
1.2 Independent Financial Adviser	4
1.3 Transaction Instructions	
1.4 Asset Allocation	4
1.5 The Cash Account	6
1.6 Valuations	7
1.7 Portfolio Deductions	8
2. Details of the Individual Policy	9
2.1 Charges	9
2.2 Regular Withdrawals	9
2.3 Partial Encashment	9
2.4 Total Encashment	10
2.5 Death Benefit	11
2.6 Bond Currency	12
2.7 Additional Premiums	12
3. General	13
3.1 Administration of Policies	13
3.2 Assignment of Policies	13
3.3 Permitted Deductions	14
3.4 Changes in Legislation and Taxation	14
3.5 Force Majeure	14
3.6 Entire Contract	14
3.7 Governing Law	15

GLOSSARY OF TERMS USED IN THE STANDARD POLICY TERMS AND CONDITIONS

In these terms and conditions the masculine shall include the feminine, the singular shall include the plural and vice versa and the following terms shall have the meanings respectively ascribed to them.

Additional Premium – A further amount paid by the Policyholder(s) to IOMA subsequent to the Commencement Date such amount to be allocated to the Policies 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.

Appointed IFA – The IFA who is for the time being appointed by the Policyholder(s) in connection with the Bond.

Bond or “Parmenion Offshore Bond” – The Parmenion Offshore Bond underwritten by IOMA and consisting of the Policies.

Business Day – Any day on which the London Stock Exchange is open for business.

Cash – Cash held in your Portfolio

Cash Account – The account maintained by Parmenion as part of the Portfolio to hold Cash.

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

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

IFA – An independent financial adviser authorised in the United Kingdom to act as an intermediary and adviser to the Policyholder(s) in connection with the Bond and the Portfolio or authorised or permitted to act under any similar legislation in force in the jurisdiction in which that person carries on such activities.

Instruction – An instruction received by IOMA in connection with the Bond, any Policy or the Portfolio in accordance with the Policy Provisions.

Quarterly Payment Date – The date at the calendar quarter on which the annual management charge and any other charges payable in connection with the Bond are deducted from the Portfolio.

Policyholder(s) – The holder(s) of the Policies specified in the Policy Schedule or the survivor of them (if there is more than one holder) or the successors in title of the holder(s) (if there is no survivor) or, if applicable, the assignees of the Policy.

Policies – All single premium unit-linked whole of life assurance policies issued by IOMA, comprising the Bond and in force at any time, the numbers of which appear in the Policy Schedules.

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 all as amended from time to time.

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 the Parmenion Offshore Bond and the number identifying such policy.

Portfolio – A separately identifiable portfolio of *Parmenion asset class investments* and Cash, together with any liabilities, which are allocated for the purpose of determining the benefits payable under the Policies 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 the Parmenion Offshore Bond 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.

Valuation Date – The date on which the Bond is valued, for the annual and half-yearly reports. These reports are issued as at 5 April and 5 October.

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 your Parmenion Offshore Bond with the Premium net of IOMA’s initial charges.
- (2) Although the benefits payable under each 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 gains 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 Independent Financial Adviser

- (1) The Policyholder(s) shall appoint an IFA to advise the Policyholder(s) on the composition of the Portfolio subject to the Policy Provisions.
- (2) The Policyholder(s) shall ensure that the Appointed IFA maintains and undertakes to maintain at all times such authorisations and licences (if any) as are necessary to enable the IFA to provide the services referred to in paragraph 1.2(1) under the legislation of the jurisdiction in which such services are provided.

1.3 Transaction Instructions

- (1) Instructions shall be sent via the Parmenion Service, in accordance with the terms and conditions of that service to which the Policyholder(s) may be subject in relation to the Bond.

1.4 Asset Allocation

- (1) The composition of the Portfolio will be determined by the giving of Instructions to IOMA in accordance with the Policy Provisions and in particular subject to any limits or restrictions imposed by IOMA regarding:-

- (i) the minimum percentage of each premium to be allocated to each Parmenion asset class;
and
- (ii) the balance in the Cash Account.

The IFA may only give Instructions to purchase Parmenion Discretionary Portfolios. For the avoidance of doubt, no other assets or investments will be eligible to be purchased for allocation to the Portfolio.

- (2) On receiving an Instruction to change the Portfolio, IOMA will normally process the request as follows:-

- (i) Where instructions have been received by IOMA by 1.00pm on any Business Day, IOMA will endeavour to forward instructions to Parmenion within two Business days.
- (ii) IOMA will endeavour to act on an Instruction to cancel a previous Instruction at any time provided that such Instruction shall not then have been carried out, although IOMA will not be liable for the consequences of not complying with any such Instruction to cancel.
- (iii) IOMA may refuse to accept any payments into the Parmenion Offshore Bond.
- (iv) IOMA may refuse to carry out any instruction at any time if in its opinion it would be prejudicial to the operation of its long term business fund.

- (3) Subject to paragraph 1.4(2), IOMA will process an Instruction in accordance with paragraph 3.1(3) to purchase, to a total value specified in the Instruction, a Parmenion Discretionary Portfolio by:-

- (i) purchasing the appropriate units, shares or other assets to the total value specified in the Instruction at the prices readily available to IOMA at the time of the purchase; and
- (ii) debiting the Cash Account prior to 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 an Instruction pursuant to this subparagraph will be purchased at not more than the open market buying price (where such a price is available) on any contract note or other document issued by the vendor or stockbroker concerned.

- (4) Subject to paragraph 1.4(2), IOMA will process a valid Instruction made in accordance with paragraph 3.1(3) to sell to a total value specified in the Instruction a Parmenion Discretionary Portfolio by:-

- (i) selling the assets to the total value specified in the Instruction at the prices readily available to IOMA at the time of the sale; and
 - (ii) crediting the Cash Account following the 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 Policy Provision, IOMA has the right, at all times:-
- (i) to determine the suitability of assets for inclusion in its long term business fund;
 - (ii) to refuse a request from the IFA 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 from the IFA to buy any asset which IOMA has not specified as being included in the range of pooled assets; 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 inclusion in its long term business fund.

In exercising its rights under this paragraph 1.4(5), IOMA will take into account, inter alia:-

- (a) any current or proposed legal, regulatory or other official requirements applicable to IOMA, any Policy comprising the Bond or the Policyholder(s);
- (b) whether the relevant asset has become valueless or is, directly or indirectly, contrary to IOMA's normal investment philosophy or is an investment, directly or indirectly, in a company whose activities are regarded by IOMA as being illegal, unethical or of a nature that may be of detriment to IOMA's reputation; and
- (c) 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 1.4(5), nor will IOMA be required to explain the basis on which it has exercised such rights. If IOMA refuses to comply with an Instruction in accordance with this paragraph or wishes to exercise its rights in accordance with sub-paragraph (iv) of this paragraph in relation to any asset allocated to the Portfolio which IOMA considers is not readily realisable, IOMA may, in its sole discretion, deem an Instruction to have been given for the encashment of the whole of the Bond in accordance with paragraph 2.4.

- (6) All transactions relating to assets allocated, or to be allocated, to the Portfolio will be effected by IOMA or any agent IOMA may nominate from time to time to perform such a function.

1.5 The Cash Account

- (1) After the Commencement Date, the Cash Account will only be used:-
 - (i) as a cash investment;
 - (ii) to debit the costs of purchasing assets for allocation to the Portfolio, including all expenses, taxes, duties and charges in connection with such purchase;
 - (iii) 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;

- (iv) to credit the income received from assets allocated to the Portfolio (unless the income is automatically re-invested in the relevant assets);
 - (v) to pay all amounts due to the Policyholder(s) in terms of paragraphs 2.2 (regular withdrawals), 2.3 (partial encashment) and 2.4 (total encashment) below;
 - (vi) to pay all fees, charges and other expenses payable in connection with the Portfolio and the Policies in accordance with the paragraphs 1.6 (valuations), 1.7 (Portfolio deductions), 2.1 (charges), 3.1 (administration of the Policies) and 3.3 (permitted deductions); and
 - (vii) to credit any interest added, and debit any interest charged, to the Cash Account in accordance with paragraph 1.5(3).
- (2) A minimum of 2.00% of the value of the Portfolio must be held in Cash at all times.

Where the Cash Account balance falls below 2.00%, or where there is insufficient Cash to complete a regular withdrawal or pay any charges, IOMA will be entitled to sell assets in order to restore the Cash Account balance to 2.00% of the value of the Portfolio plus the value of any regular withdrawals planned for the next three calendar months. Such investments to be sold will be at IOMA's discretion.

- (3) IOMA will add interest on a daily basis to the Cash Account when it is in credit. Interest is calculated daily at a rate equal to the prevailing National Westminster Bank base lending rate less 2.5%.

1.6 Valuations

- (1) IOMA will calculate the value of the Bond in sterling as at each Valuation Date, 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 Cash 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 Policies in accordance with this paragraph 1.6 and paragraphs 1.7 (Portfolio deductions), 2.1 (charges), 3.1 (administration of the Policies) and 3.3 (permitted deductions) below; and
 - (v) any provision for expenses, taxes, duties, charges and other liabilities in respect of the Portfolio for which IOMA is, or may become, liable.
- (2) For the purpose of calculating the value of the assets allocated to the Portfolio:-
- (i) Assets will be valued at the mid price at close of the previous trading day (as quoted in the recognised official list of market dealing prices published by the relevant exchange or by any other relevant medium selected by IOMA);
 - (ii) any other assets will be valued at the price at which IOMA estimates they might be sold on the relevant Valuation Date (taking into account, where there are any published valuations or prices for such assets, any subsequent changes in the relevant market, any current restrictions or difficulties in trading in such assets and any other circumstances likely to affect such valuations or prices) and IOMA shall be entitled to obtain such advice as it shall consider it necessary or desirable in order to determine the market values of such assets.

1.7 Portfolio Deductions

IOMA may debit to the Cash Account an amount which it considers to be appropriate to take account of:-

- (1) any expenses, taxes, duties, charges and other liabilities (including the costs of any currency conversion) that may arise in connection with the purchase, management, maintenance, custody, valuation and sale of any assets allocated, or to be allocated, to the Portfolio (including any costs incurred in contemplation of a sale of any assets allocated to the Portfolio, which sale fails, for any reason whatsoever, to be completed) or the receipt of any income attributable to those assets; and
- (2) interest on, and the repayment of, any monies borrowed in connection with the Portfolio.

2. Details of the Policies

2.1 Charges

- (1) IOMA will levy directly an initial charge of the higher of £150.00 or 0.3% of the amount of the Premium on establishment of the Bond.
- (2) In addition, an annual management charge of the higher of £125.00 or 0.25% of the value of the portfolio shall be payable and shall be deducted from the Cash Account on each Payment Date.
- (3) Charges due to Parmenion and the policyholders' IFA will also be deducted from the Cash Account as they fall due.

2.2 Regular Withdrawals of Capital

- (1) The Policyholder(s) may request withdrawals to be made from the Bond at such intervals as IOMA may permit, subject to the request being made in accordance with paragraph 3.1 (3) below. Such withdrawals must be of a fixed monetary amount.
- (2) Any regular withdrawals from the Bond shall be:-
 - (i) subject to any minimum or maximum levels of payment as permitted by IOMA;
 - (ii) paid in such manner as IOMA may specify or otherwise agree with the Policyholder(s).
- (3) IOMA shall deduct the amount of each regular withdrawal from the Cash Account. If there are insufficient funds in the Cash Account, IOMA reserves the right to sell assets within the Bond sufficient to satisfy the withdrawal request.
- (4) Regular payments shall cease:-
 - (i) automatically if the payment of a regular withdrawal would result in the value of the Portfolio being less than the minimum value of the Portfolio permitted by IOMA from time to time; or
 - (ii) at the discretion of IOMA if the payment of a regular withdrawal would result in the amount by which the Cash Account is in credit being less than the minimum amount referred to in paragraph 1.5.2 and there being insufficient assets allocated to the Portfolio which IOMA considers are readily realisable for the purpose of placing the Cash Account in credit to such relevant minimum amount in accordance with paragraph 1.5.2.

2.3 Partial and Full Encashment

Partial Encashment

- (1) The Policy holder(s) may request IOMA to encash part of the Bond by encashing a portion of each Policy, subject to any minimum or maximum levels of payment permitted by IOMA from time to time and the request being made in accordance with paragraph 3.1(3). Where such a request is made, the amount of the payment requested shall be applied equally to each of the Policies remaining at the date of withdrawal. For the avoidance of doubt, this means that the affect on each Policy will be the value of the payment divided by the existing number of Policies remaining in the Bond.

Full Encashment

- (2) The Policy holder(s) may request IOMA to encash part of the Bond by terminating one or more, but not all of, the Policies, subject to any minimum or maximum levels of payment permitted by IOMA from time to time and the request being made in accordance with paragraph 3.1(3). IOMA will terminate each Policy which is subject to a request from the Policyholder(s) for an encashment of the Bond under this paragraph 2.3(2) on receipt of any such request.

Applicable Conditions

- (3) The Policyholder(s) will be required to encash the whole of the Bond if the value of the Portfolio would, on payment of any partial or full encashment, be less than the minimum value of the Bond permitted by IOMA (in which event IOMA may, in its sole discretion, deem the Policyholder(s) to have requested IOMA to encash the whole of the Bond in accordance with paragraph 2.4).
- (4) The amount due in respect of any partial or full encashment will be paid to the Policyholder(s) from the amount by which the Cash Account is in credit in excess of the minimum amount referred to in paragraph 1.5(2). All encashments are subject to there being sufficient Cash or readily realisable investments to make such payments. Where there is insufficient cash to make a single or regular payment, notwithstanding its rights under paragraph 1.5(2), IOMA reserves the right to sell assets within the Portfolio as necessary to restore the minimum Cash Account balance.
- (5) Where it is necessary for IOMA to sell any assets allocated to the Portfolio to finance the payment of a partial or full 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 Cash 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 2.3(3).
- (6) Notwithstanding sub-paragraphs 2.3(1), (2) and (5), 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, IOMA may, in its sole discretion, deem the Policyholder(s) to have requested IOMA to encash the whole of the Bond in accordance with paragraph 2.4.

2.4 Total Encashment

- (1) On receipt of a valid request by the Policyholder(s) to encash the whole of the Bond made in accordance with paragraph 3.1(3) (or deemed to have been made pursuant to paragraph 1.4(5), 2.3(1) or 2.3(4), IOMA will:-
 - (i) terminate all of the Policies;

- (ii) cancel any existing arrangements for the payment of regular withdrawals in accordance with paragraph 2.2;
 - (iii) sell any non-cash assets allocated to the Portfolio, provided that, notwithstanding any other Policy Provision, IOMA shall not be obliged to procure the sale of any assets allocated to the Bond which it considers are not readily realisable and, accordingly, IOMA reserves the right, in its sole discretion, to transfer any such assets to the Policyholder(s) in satisfaction of all or part of the total encashment amount;
 - (iv) credit the sale proceeds, net of all expenses, taxes, duties and charges in connection with any such sale, to the Cash Account; and
 - (v) calculate the final value of the Portfolio in accordance with paragraph 1.6.
- (2) IOMA will pay (or transfer, in the case of any non-cash assets which IOMA decides to transfer as mentioned in sub-paragraph 2.4(1)(iii)) to the Policyholder(s) an amount equal to the final value of the Portfolio less:-
- (i) any expenses, taxes, duties and charges incurred by IOMA in connection with the transfer of any non-cash assets; and
 - (ii) the charges referred to in paragraph 2.1, all of which will be calculated on a time apportionment basis by IOMA in respect of the period from the last Quarterly Payment Date to the date of termination of all of the Policies.
- (3) IOMA may delay paying the total encashment amount to the Policyholder(s) until all of the net sale proceeds referred to in paragraph 2.4(1) (iv) have been credited to the Cash Account. Without prejudice to sub-paragraph 2.4(1) (iii), IOMA reserves the right to delay processing a request to encash the whole of the Bond in accordance with paragraph 1.4(2).

2.5 Death Benefit

- (1) On the date on which IOMA receives written notification at its Head Office of the death of the Life Assured or, if there is more than one Life Assured, the last (as specified in the Policy Schedule) of the Lives Assured to die, IOMA will:-
- (i) cancel any existing arrangements for the payment of regular withdrawals in accordance with paragraph 2.2;
 - (ii) sell all of the non-cash assets allocated to the Portfolio, provided that, notwithstanding any other Policy Provision, IOMA shall not be obliged to procure the sale of any assets allocated to the Bond which it considers are not readily realisable and, accordingly, IOMA reserves the right, in its sole discretion, to transfer any such assets to the Policyholder(s) in satisfaction of all or part of the death benefit payable; and
 - (iii) credit the sale proceeds, net of all expenses, taxes, duties and charges in connection with any such sale, plus £100 sterling, to the Cash Account.
- (2) Any sum payable by IOMA on a claim will be subject to proof satisfactory to IOMA of:-
- (i) the death(s) of the Life/Lives Assured; and

- (ii) the legal entitlement of the Policyholder(s) to the death benefit;
- and to the return of the Policy Schedule and any Supplementary Policy Schedule(s) to IOMA at its Head Office.
- (3) All of the Policies will terminate on the date on which the requirements set out in paragraph 2.5(2) above are satisfied. IOMA will then pay (or transfer, in the case of any non-cash assets which IOMA decides to transfer as mentioned in sub-paragraph 2.5(1) (ii)) to the Policyholder(s) the death benefit payable, which will be the final value of the Portfolio calculated in accordance with paragraph 1.6 less any expenses, taxes, duties and charges incurred by IOMA in connection with the transfer of non-cash assets.
 - (4) IOMA may delay paying the death benefit payable until all of the net sale proceeds referred to in paragraph 2.5(1) have been credited to the Cash Account. Without prejudice to sub-paragraph 2.5(1) (ii), IOMA reserves the right to delay processing the sale of assets allocated to the Portfolio in accordance with paragraph 1.4(2).

2.6 Bond Currency

- (1) If IOMA agrees to make any payment in a currency other than sterling, 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.

2.7 Additional Premiums

- (1) The Policyholder(s) may, at any time, apply to IOMA at its Head Office to pay an Additional Premium in relation to the Policies. If IOMA accepts that application, it will issue a Supplementary Policy Schedule as evidence of the payment and credit the Additional Premium to the Cash 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:-
 - (i) paragraph 1.1 (the Bond) save that sub-paragraph (1) of that paragraph shall not apply;
 - (ii) paragraph 1.5 (Cash Account);
 - (iii) paragraph 2.1 (Charges);
 - (iv) paragraph 2.5 (Death Benefit); and
 - (v) paragraph 2.6 (Bond Currency.)

3. General

3.1 Administration of Policies

- (1) IOMA may employ agents to perform any administrative, management or other ancillary services required to enable IOMA to perform its obligations under the Policies. IOMA will decide the method and the appropriate security procedures it will use when accepting requests and Instructions regarding the Policies. 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).
- (2) All requests and Instructions received will be applied identically to each of the Policies, save where the Policyholder(s) have requested a partial encashment of the Bond in accordance with paragraph 2.3.
- (3) Requests and Instructions will only be valid if made or given (or, in accordance with paragraph 3.1(1), deemed to be made or given) in writing to IOMA at its Head Office and in accordance with the Policy Provisions.
- (4) Any notice or other communication given by IOMA in connection with the Policy Provisions will be made in writing and sent by post to the address of the Policyholders or, if there is more than one, of the first-named Policyholder which was last notified in writing to IOMA.
- (5) IOMA may make a charge if the Instructions require IOMA to:-
 - (i) pay benefits in a way which is different from IOMA's normal practice or in a currency other than sterling; or
 - (ii) alter the conditions under which the benefits will be payable.
- (6) IOMA may increase the level of all fees and 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).

3.2 Assignment of Policies

Policies may only be assigned with the prior approval of IOMA. IOMA will not be affected by any assignment of any Policy until it has been notified in writing of that assignment at its Head Office. If all the Policies are not assigned IOMA reserves the right to treat any limits applicable to the Portfolio as applying to that part of the Portfolio attributable to each of the Policies held by each of the Policyholder(s).

3.3 Permitted Deductions

Should IOMA be required by law to pay any amount in respect of or by reference to any 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 Cash Account.

3.4 Changes in Legislation and Taxation.

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

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

3.5 Force Majeure

No liability shall arise if IOMA is prevented from fulfilling its obligations under the Policy(ies) 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).

3.6 Entire Contract

The Policies, as constituted by:-

- (i) the application form for the Transact Offshore Bond;
- (ii) the Policy Schedule;
- (iii) any Supplementary Policy Schedules(s)
- (iv) any endorsement(s) on the Policy Schedule or any Supplementary Policy Schedule(s); and
- (v) the Policy Provisions;

contain 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 Appointed IFA or any IFA who may at any time have been appointed or provided any services in connection with the establishing, operation or cancelling of the Bond or the composition of the Portfolio. For the avoidance of doubt, the Policies will not be valid unless signed on behalf of IOMA by a duly authorised signatory.

3.7 Governing Law

The Policies shall be governed by and construed in accordance with Isle of Man law and the Isle of Man courts will have exclusive jurisdiction in relation to all disputes concerning the Policies.