

DATED 11th April 2008

**LEGAL & GENERAL
(PORTFOLIO MANAGEMENT SERVICES) LIMITED**

DECLARATION OF TRUST
constituting the
Legal & General Group Portfolio Plus
Self Invested Personal Pension

Slaughter and May
One Bunhill Row
London
EC1Y 8YY

DECLARATION OF TRUST

THIS DEED is made the day of _____ 2008.

BY:

LEGAL & GENERAL (PORTFOLIO MANAGEMENT SERVICES) LIMITED registered in England No. 2457525 whose registered office is at One Coleman Street, London, EC2R 5AA (the "**Company**"); and

WHEREAS:

- (A) The Company has determined to establish a personal pension scheme which will be capable of registration under Chapter 2 of Part 4 of the Finance Act 2004 and in order to do so has entered into this declaration of trust.
- (B) The Company is a person who has permission under FSMA to establish and operate a personal pension scheme.
- (C) The Scheme is intended to qualify for an appropriate scheme certificate under the Pension Schemes Act 1993 as an arrangement for the issue of insurance policies or annuity contracts for the purposes of Regulation 2 of the Personal Pension Schemes (Appropriate Schemes) Regulations 1997.
- (D) The Scheme contains a separate sub-section (the "**Self Invested Section**"), the assets of which may not, subject to Clause 15(d), include Protected Rights and which may be invested in other assets.
- (E) The Company will be the first scheme administrator of the Scheme.

NOW THIS DEED WITNESSES as follows:

Definitions

- 1. In this Deed:
 - (i) words importing the masculine gender shall include the feminine and words importing the singular shall include the plural and vice versa;
 - (ii) reference to any statutory provisions shall include any subsequent statutory modification or re-enactment thereof and any regulations made thereunder;
 - (iii) "**Business Day**" means a day (excluding Saturday) on which banks are normally open for business in the City of London;
 - (v) "**DWP**" means the Department for Work and Pensions;

- (vi) **"FSMA"** means Financial Services and Markets Act 2000;
- (vii) **"HMRC"** means HM Revenue & Customs;
- (viii) **"Insured Section"** has the meaning given in Clause 4;
- (ix) **"Insurer"** means:
 - a person who has permission under Part 4 of FSMA to effect or carry out contracts of long-term insurance; or
 - an EEA firm of the kind mentioned in Paragraph 5(d) of Schedule 3 to FSMA (certain direct insurance undertakings) which has permission under Paragraph 15 of that Schedule (as a result of qualifying for authorisation under Paragraph 12 of that Schedule) to effect or carry out contracts of long-term insurance;
- (x) **"Member"** means a member of the Scheme;
- (xi) **"Member's Fund"** has the meaning given to that phrase in Clause 6(d);
- (xi) **"Member's Directions"** has the meaning given to that phrase in Clause 16;
- (xiii) **"Protected Rights"** has the meaning given to that expression in Section 10 of the Pension Schemes Act 1993;
- (xiv) **"Rules"** means the Rules of the Scheme adopted in accordance with Clause 5, as amended from time to time;
- (xv) **"Scheme"** means the personal pension scheme established by this Deed and known as the Legal & General Group Portfolio Plus Self-Invested Personal Pension;
- (xvi) **"Scheme Administrator"** means the Company or any other person from time to time appointed as scheme administrator under the terms of this Deed;
- (xvii) **"Self-Invested Section"** has the meaning given in Clause 4;
- (xviii) **"Terms"** means the terms and conditions entered into by a Member on application to the Scheme, as amended from time to time, and which may be contained in the Member's application to join the Scheme, the Member's booklet, key features document, charges document and such other document as may be provided to the Member at the time of joining the Scheme; and
- (xix) **"Trustee"** means the Company and any other or additional person for the time being appointed as a trustee of the Scheme.

Establishment of Scheme

2. By execution of this Deed, the Company hereby irrevocably establishes the Scheme to provide pensions and lump sums for and in respect of the Members who are entitled to benefit in accordance with the Rules, to commence on and with effect from the date of this Deed.
3. The Company hereby declares that it shall stand possessed of all the property of the Scheme upon the trusts and subject to the provisions of this Deed.
4. The Scheme and the property of the Scheme shall be divided into two parts:
 - (a) The Self-Invested Section which may be invested in any way permitted by Clauses 15 and 17 of this Deed (but may not, subject to Clause 15(d) include Protected Rights).
 - (b) the Insured Section of the Scheme which shall be invested in accordance with Clause 16 of this Deed (and which may include Protected Rights). The Insured Section is intended to be an arrangement for the issue of insurance policies or annuity contracts for the purpose of Regulation 2 of the Personal Pension Schemes (Appropriate Schemes) Regulations 1997.
5. The Company will within one year of the date of this Deed adopt definitive Rules for the Scheme. Until such definitive Rules are adopted, the Company will on an interim basis operate the Scheme so as to comply with the Scheme Outline attached as the Schedule to this Deed, the provisions of this Deed and the provisions of any legislation applicable to a registered pension scheme that qualifies for an appropriate scheme certificate. The Company shall determine any dispute as to the proper interpretation of the Scheme Outline.

Members of the Scheme

6.
 - (a) Membership of the Scheme shall be open to any individual accepted for membership by the Scheme Administrator.
 - (b) The Scheme Administrator will notify the individual as to whether that individual has been admitted to membership of the Self-Invested Section and/or the Insured Section of the Scheme. If an individual is admitted to membership of more than one Section, each shall constitute a separate arrangement.
 - (c) The Member and any other person permitted by the Scheme Administrator may contribute such monies to the Scheme for the benefit of the Member as may be agreed with the Scheme Administrator, subject to the Rules.

- (d) The Trustee shall maintain in respect of each Member a separate account (the "**Member's Fund**") (and if the Member is a member of more than one Section, separate Member's Funds will be maintained for each arrangement).
- (e) The Member's Fund shall include:
 - (i) the contributions paid by or for the benefit of a Member,
 - (ii) such policies of insurance or other investments purchased in accordance with this Deed,
 - (iii) any transfer payments received into the Scheme, and
 - (iv) any contributions received from the DWP in relation to a Member,

provided that Protected Rights may not, subject to Clause 15(d), be held in the Self-Invested Section.
- (f) Each separate arrangement is a separate trust fund distinct from the other arrangements under the Scheme. Should the same investments be held in more than one Member's Fund, the entitlement of each Member thereto shall be separately identified and recorded.

Scheme Administrator and Trustee - Appointment and Removal

- 7. (a) The administration of the Scheme shall be vested in the Scheme Administrator.
 - (b) The Company has the power from time to time to appoint a Scheme Administrator in place of itself and to remove any existing Scheme Administrator and appoint a new or additional scheme administrator. Any person appointed must be authorised to operate a personal pension scheme for the purposes of FSMA and eligible to be a scheme administrator for the purposes of Section 270 Finance Act 2004,. This power shall be exercisable by notice in writing given to the Scheme Administrator.
 - (c) The Scheme Administrator is responsible for discharging the functions conferred or imposed on the Scheme Administrator of a registered pension scheme by Finance Act 2004.
8. The Company is the first trustee of the Scheme. The Company has the power from time to time to appoint a trustee in place of (or in addition to) itself and to remove any existing trustee and appoint a new or additional trustee or trustees. This power shall be exercisable by Deed.
9. If and to the extent that a second trustee is required for the purpose of effectively transferring title to any asset, the Company may appoint any person as an additional

trustee for that purpose and remove any person so appointed. This power shall be exercisable by Deed.

Powers and duties of the Trustee

10. All expenses connected with the administration and management of the Scheme, shall be paid out of the account of the Member which has incurred those costs or out of such other account or arrangement in relation to that Member, in accordance with the Terms.
11. The Trustee shall be entitled to such remuneration for carrying out its duties as Trustee and to payment of such expenses as the Company may determine from time to time in accordance with the Terms.
12. The Trustee, or any person connected with the Trustee being an administrator, banker, investment adviser or engaged in any other profession, business or trade may, without accounting for any resulting profit, act in such capacity and perform any service on behalf of the trusts of this Deed and on the same or equivalent terms as it would apply in relation to any other customer of that person. Without prejudice to the generality of the above, the Trustee or any person connected with the Trustee may act as Scheme Administrator and may retain any remuneration or other profit which it earns as a consequence of its role as Scheme Administrator.
13. If:
 - (a) the amount paid to the Trustee, or the Scheme Administrator, or any company connected with any of them by any bank or other body by way of interest on amounts, forming part of the assets of the Scheme, deposited with that bank or other such body exceeds the amount of interest which Members are entitled to receive under the Terms; or
 - (b) in accordance with the Terms, any payment or benefit received may be retained by the Trustee or the Scheme Administrator or any company connected with any of them,


the Trustee or the Scheme Administrator or other such company shall be entitled to retain that excess or the amount of such payment or benefit as part of its remuneration and the Trustee shall not be obliged to account to Members for it.

Delegation

14. (a) Subject to the provisions of this Clause 14, the Scheme Administrator and the Trustee may each delegate all or any of the powers, duties or discretions whatsoever conferred upon them by this Deed, the Rules or otherwise and may authorise their sub-delegation.

- (b) The Scheme Administrator and the Trustee may employ or retain any agent in relation to the Scheme.
- (c) The Scheme Administrator and the Trustee may make such arrangements for remunerating any delegate or agent as they think fit.
- (d) The Scheme Administrator or Trustee (as the case may be) shall retain responsibility for any matters so delegated.
- (e) Any person dealing with a person employed, retained or delegated to under this Clause 14 above shall, on production of the relevant written authority for the agent or delegate to so act, be entitled to assume (unless he has received express written notice of the revocation of that authority or delegation) that the authority or delegation remains unrevoked.

Investment

- 15. (a) Subject to any restrictions contained in this Deed and the Rules and to any requirements of HMRC or DWP, and subject to the conditions set out in the Terms, the Trustee shall follow any specific directions received from the Member or from any person or body authorised by the Member to act on his behalf in relation to the manner in which that Member's Fund is invested (the "**Member's Directions**").
- (b) Where the Trustee follows the Member's Directions, the Trustee is under no duty, obligation or liability to any person in respect of any loss or reduction in the value of the Member's Fund or of any other Member's Fund which results from following the Member's Directions.
- (c) Where no Member's Direction is received, the Trustee may not take any action in relation to any investments or assets comprised within a Member's Fund. 
- (d) Any restrictions contained in this deed on the investment of Protected Rights shall cease to apply, if and to the extent that the Company so resolves, provided that such investment shall be permitted by the Personal Pension Schemes (Appropriate Schemes) Regulations 1996 (as amended or repealed).
- 16. Notwithstanding the provisions of Clause 15, in relation to a Member's Fund within the Insured Section, the Trustee may only:
 - (a) purchase from Legal & General Assurance Society Limited or any other insurer (as defined in the Rules) an annuity contract permitted by the Rules; or
 - (b) take out a policy of life insurance issued by Legal & General Assurance Society Limited or any other Insurer.

17. (a) Subject to Clause 15, any Member's Fund within the Self-Invested Section may be invested in any manner:
 - (i) in which the Trustee could invest if it was absolutely and beneficially entitled to those monies,
 - (ii) in which the Trustee is empowered to invest as trustee of a registered personal pension scheme, and
 - (iii) which is not prohibited by the Rules.
- (b) Subject to Clause 15, the Trustee shall, in relation to a Member's Fund within the Self-Invested Section and in accordance with any Member's Directions borrow money for such other purpose as is directed by the Member and in accordance with the Terms.
18. (a) Any Member, in respect of whose Member's Fund there has been a loss or a liability has been incurred, shall indemnify the Trustee, the Scheme Administrator and the Company against all resulting liabilities incurred by the Trustee, the Scheme Administrator or the Company in connection with the Scheme. The Trustee, the Scheme Administrator and the Company shall not be indemnified if and to the extent that such liabilities are due to its or their fraud or wilful misconduct or its or their negligence or breach of regulatory duty (or that of their respective directors, officers or employees).
- (b) In this clause the words "**Trustee**", "**Scheme Administrator**" and "**Company**" shall include every current and former trustee or scheme administrator and every director, officer or employee of any of them being a corporate body, "Company" includes any holding company or subsidiary of the Company or any other subsidiary of any such holding company (in each case within the meaning of Section 736 Companies Act 1985).
19. The Trustee may, in respect of the Member's Fund, authorise any person or persons as it thinks fit to give receipts and discharges for money and other property payable to the Trustee. Any receipt or discharge given shall have effect as if given by the Trustee.
20. Any property held for the purposes of the Scheme may be held in the name of any person (wherever resident) as nominee on behalf of the Trustee or in any other manner giving the Trustee control of the property. The Trustee shall if the Scheme Administrator so directs, delegate to such nominee such powers as it may from time to time determine.
21. (a) The statutory duty of care set out in Part I of the Trustee Act 2000 does not apply in relation to the Scheme.

- (b) Where a Member's Direction is received by it the Trustee must, save as provided in Clause 15(a), comply with that Member's Direction and is not obliged to consider whether the investment proposed or the action to be taken is suitable for or in the best interests of the Member or any other person who might benefit under the Scheme.
- (c) The Trustee shall not, in the circumstances of this Scheme, be obliged to consider whether the investments comprised or to be comprised within a Member's Fund are adequately diversified.

Liability and Indemnity

- 22. (a) Neither the Company (or any other person for the time being acting as Trustee or Scheme Administrator) nor any director, officer or employee of any of them is liable for any loss to the Scheme or any Member arising by reason of the failure, depreciation or loss of any investment made in good faith or any mistake or omission made in good faith or by reason of any other matter or thing except fraud, wilful misconduct, negligence or breach of regulatory duty on the part of the Trustee, Scheme Administrator or Company, as the case may be (or that of their respective directors, officers or employees).
- (b) Notwithstanding the generality of (a) the Trustee shall not be liable to any person if it acts as Trustee in circumstances where two or more Members are seeking to acquire the same asset, where use of an asset held in one Member's Fund affects the value of another Member's Fund or where there is otherwise an actual or potential conflict of interest between two or more Members. The Trustee shall have no duty, under trust law or otherwise, to disclose to any Member any information which it may hold in relation to the assets or affairs of any other Member.
- (c) Each of the Trustee, the Scheme Administrator and the Company (and their respective directors, officers and employees) shall be fully and effectively indemnified and saved harmless out of the property of the Scheme against all actions, proceedings, claims, demands, damages, costs and other liabilities whatsoever arising out of the performance of its duties save only for liabilities arising as a consequence of fraud, wilful misconduct, negligence or breach of regulatory duty on its part (or that of its directors, officers or employees).

Notices

- 23. Any notice to any Member or beneficiary or to the Scheme Administrator under the Scheme may be sent by such means and on such terms as are set out in the Terms.

General

24. The perpetuity period applicable to the trusts of the Scheme shall be the period of eighty years from the date of this Deed or such longer period as it may, from time to time, be lawful for the trusts of the Scheme to continue.
25. The Company shall be entitled to vary this Deed and the Rules by such deed supplemental hereto as it may in its discretion determine, subject to compliance with any applicable requirements of HMRC, the DWP or any other authority or any other statutory or other requirements in force from time to time as they relate to a registered pension scheme and which has received an appropriate scheme certificate under the Pension Schemes Act 1993. Any such amendment may take effect from the date on which it is made or from such other date (before or after the date of that deed) as may be stated in that supplemental deed. No amendment may be made that could prejudice the status of the Scheme as a registered pension scheme unless the Company resolves in writing that the Scheme should cease to be a registered pension scheme.
26. The Company may agree to merge the affairs, assets and liabilities of the Scheme or its activities as the Scheme Administrator with those of another pension scheme which is registered under Finance Act 2004, its scheme administrator and its trustee, whether that other pension scheme was established by the Company or not.
27. Where a body corporate acts as Trustee or Scheme Administrator, the powers, duties, authorities and directions or that body corporate may be exercisable by its board of directors or any duly authorised committee or officer thereof, in accordance with its articles of association.
28. This document shall be governed by the laws of England.
29. This Deed shall not be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to it. The consent of any person not a party to this Deed shall not be required to any rescission of or variation to this Deed.

In witness whereof the Company has executed this Deed the day and year first above written.

SCHEDULE

SCHEME OUTLINE

SIGNED AS A DEED by)
 LEGAL & GENERAL)
 (PORTFOLIO MANAGEMENT)
 SERVICES) LIMITED)
 acting by a director)
 and its secretary/two directors)

Director

Name of Director

Director

Name of Director

Scheme Outline

Legal & General Group Portfolio Plus Self Invested Personal Pension

Content

Introduction	2
Payment of Contributions	3
Investment of Contributions	5
Retirement Benefits	6
Benefits on Transfer or Death	10
Taxation of Benefits	12
Self Invested Arrangements	12
Discontinuance or Amendment	14
About the Scheme	14
Glossary	17

INTRODUCTION

Explanation of Terms

An explanation of the meaning of terms used in this document can be found in the Glossary on page 17.

1. Membership of the Scheme

Applicants will become members of the Legal & General Group Portfolio Plus Self Invested Personal Pension ('the Scheme'). The way in which the Scheme operates is explained in 'About the Scheme' on page 14.

Membership of the Scheme, and a member's entitlement to benefits under it, is confirmed by way of the Membership Certificate(s) issued to the member together with the Member's booklet.

The terms applying to membership of the Scheme comprise:

- (a) the Member's booklet;
- (b) the application form completed by the member;
- (c) the key features document;
- (d) fees and charges sheet; and
- (e) such other document provided to the member at the time of applying to join the Scheme.

2. Arrangements under the Scheme

Each member may have one or more Arrangements under the Scheme (of the same or different type), which together make up the member's 'Plan'.

If a member has more than one Arrangement, the Arrangements do not have to have the same Selected Retirement Date. Each Arrangement held by a member will be represented by a Membership Certificate and a separate membership number.

A member will also receive a SIPP Membership Number which should be used in all correspondence by the member with Legal & General in relation to the member's Plan.

3. Changes in Circumstances

A member must advise Legal & General if the member:

- (i) ceases to be resident in the United Kingdom; or
- (ii) ceases to have Relevant UK earnings or having ceased to have Relevant UK earnings, start to have them again; or
- (iii) where the member is in an occupation for which, before 6 April 2006, HM Revenue & Customs (HMRC) permitted an exceptionally early retirement age, leaves that occupation, or
- (iv) ceases to be entitled to receive tax relief on contributions to the Scheme.

4. Contracts (Rights of Third Parties) Act 1999

The rules and terms of membership of the Scheme are not intended to be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by anyone other than a member of the Scheme.

Legal & General may vary, amend or terminate the declaration of trust, rules of the Scheme or terms of membership of the Scheme without the consent of a member or any person who may be, or may become, entitled to benefits under the Scheme by virtue of the Act unless the declaration of trust, rules or terms of membership expressly requires that such consent is obtained.

PAYMENT OF CONTRIBUTIONS

1. Types of Pension Contributions

Contributions paid into a member's Arrangement(s) may comprise any one or more of the following:

- (a) regular contributions;
- (b) single contributions;
- (c) subject to this Scheme becoming an appropriate personal pension scheme in accordance with the Pension Schemes Act 1993, contracting-out contributions.

Regular contributions and single contributions may be made to the Scheme by the member or on the member's behalf by their employer or another person. Contributions must be paid by a method acceptable to Legal & General. Contracting-out contributions must be made as set out in section 9 below.

2. Regular Contributions

Regular contributions can be paid into either an insured or self invested Arrangement commencing from a date which is agreed between the member and Legal & General. However, regular contributions can only commence if at least five years remain before a member's Selected Retirement Date. The amount of the regular contributions can be changed at any time before a member's Selected Retirement Date. Regular contributions cannot be made to the Scheme after a member's Selected Retirement Date. However, single contributions (see section 5 below) can still be made as long as the member has not drawn any retirement benefits.

The amount paid by way of regular contribution, and the amount of any increase or decrease must meet Legal & General's minimum requirements in place at the time contributions start or are increased. The requirements applying to any increase in regular contributions may be different from those applying at the time contributions commenced.

Regular contributions must be paid at the frequency agreed between the member and Legal & General, usually monthly or yearly, ending with the last payment falling due before the member's Selected Retirement Date.

3. Yearly Regular Contributions

Yearly contributions are paid yearly on each anniversary of their commencement. Any contributions paid at any other time will be treated as single contributions.

Increases in yearly contributions can only be made at an anniversary date.

4. Stopping Regular Contributions

A member can stop paying regular contributions at any time. If a member does stop, the member can restart paying regular contributions at any time as agreed with Legal & General. If a member does restart regular contributions, the terms applying to those contributions may be different from the terms that applied originally.

5. Single Contributions

A member can arrange for payment of a single contribution at any time as agreed with Legal & General. A single contribution must meet the minimum amount required by Legal & General at the time the contribution is made. The terms that apply to future single contributions may be different to those in place at the time the member joined the Scheme or at the time a previous single contribution was made.

A single contribution may be made by the member and/or their employer or another person on the member's behalf, by way of a transfer payment from another registered pension scheme or from a recognised overseas scheme. The payment of any single contribution must be made in accordance with the Scheme Rules.

6. Tax Relief on Contributions

When making a contribution to the Scheme, a member is entitled to deduct an amount in respect of tax relief equivalent to the basic rate of income tax applicable at the time the contribution is paid. All contributions paid by the member or on the member's behalf will be treated as paid net of this tax relief deduction. Legal & General will reclaim an amount equal to the tax relief deduction from HMRC. Any tax relief against higher rates of tax to which the member may be entitled must be claimed by the member.

A member is only entitled to claim tax relief in respect of any tax year in which the member is a relevant UK individual. This means –

- (i) the member must have Relevant UK earnings chargeable to income tax, or
- (ii) the member must be resident in the UK for at least part of the tax year, or
- (iii) the member must have been resident in the UK in one of the preceding 5 tax years and at the time the member joined the Scheme, or
- (iv) the member or the member's spouse or civil partner must have general earnings from overseas Crown employment subject to UK tax in the tax year.

7. Limits on Tax Relief and Charges on Contributions

A member is entitled to tax relief on contributions up to 100% of the member's Relevant UK earnings in each tax year. However, if a member's Relevant UK earnings are less than the basic amount prescribed by HMRC (currently £3,600) the member can pay up to £3,600.

If the total of all contributions paid into all registered pension schemes by or on behalf of a member is more than the Annual Allowance, the member will be subject to a tax charge.

The tax charge is currently 40% of the amount by which the member's total contributions exceed the Annual Allowance.

Any contracting-out contributions (see section 9 below) and any single contribution which represents a transfer value from another registered pension scheme do not count for the purposes of the Annual Allowance.

8. Refund of Contributions

A contribution once paid to the Scheme will not be refunded, whether or not the member is entitled to receive tax relief on it.

9. Contracting-out Contributions

Subject to this Scheme becoming an appropriate personal pension scheme in accordance with the Pension Schemes Act 1993, if a member is in employment, then the member may at any time arrange for contracting-out contributions to be paid into a contracted-out insured Arrangement under the Scheme.

A member can do this by completing an election form jointly with Legal & General. Legal & General will forward this to the National Insurance Contributions Office (NICO).

Contracting-out contributions will comprise payments made to Legal & General by NICO representing:

- (i) a partial rebate of the member's and the member employer's National Insurance contributions for each tax year for which the member is contracted-out (the amount of the rebate depends on the member's age); and
- (ii) an amount in respect of basic rate tax relief on that part of (i) relating to the member's own National Insurance contributions.

So long as the member's election complies with legal requirements, these contributions will be made in respect of the first tax year specified in the member's election form, and each subsequent tax year. The NICO payment or payments relating to each tax year will normally be made during the subsequent tax year. They will be treated as single contributions paid to the Scheme at the date on which they are received by Legal & General.

If a member wishes to stop being contracted-out, they must contact Legal & General.

Unless the member joins their employer's contracted-out pension scheme, the member can only cease to be contracted-out under the Scheme with effect from the end of a financial year (5 April), and cannot backdate an election to cease their contracting out by more than one year. If, however the member joins their employer's contracted-out pension scheme, NICO will automatically stop paying contributions to the Scheme with effect from the date on which the member joins that scheme.

INVESTMENT OF CONTRIBUTIONS

1. Types of Arrangement

An Arrangement (unless contracting out contributions are being paid into it) may be an insured Arrangement or a self invested Arrangement. Contracting out contributions can only be invested in a contracted-out insured Arrangement.

Unless Legal & General agrees that a member need not do so, at least some of a member's regular and/or single contributions must be invested in the Scheme via an insured Arrangement or in certain assets within a self invested Arrangement. Subject

to meeting Legal & General's requirements from time to time to invest a minimum amount in an insured Arrangement or in certain assets within a self invested Arrangement, a member may choose to invest in a self invested Arrangement in addition to such Arrangements.

If Legal & General agrees, a member may invest in a self invested Arrangement only.

2. Insured Arrangement

The contributions a member makes to any insured Arrangement are invested in a policy or policies issued by Legal & General Assurance Society Limited to Legal & General as the trustee of the Scheme. The way contributions are invested will depend on whether they are regular or single contributions.

3. Self Invested Arrangements

Any contributions a member makes to a self invested Arrangement will be invested on the member's behalf in investments which have been selected by the member or by a discretionary fund manager appointed by the member. An investment under a self invested Arrangement will only be made if there are sufficient cleared funds in the bank account held for the member under the Scheme.

If a member does not comply with the terms applicable to investment via a self invested Arrangement, Legal & General reserves the right to sell investments held within the self invested Arrangement to meet any shortfalls. Any charges incurred will be deducted from the member's self invested Arrangement.

Details of the investments allowed within a member's self invested Arrangement are on page 13.

RETIREMENT BENEFITS

1. Commencement of a Member's Benefits

A member may choose to draw benefits from their Selected Retirement Date, or from any earlier or later date as long as such date is on or after the minimum age (age 50 if the member is retiring before 6 April 2010 and age 55 if the member is retiring on or after that date) and not later than the member's 75th birthday.

A member does not have to take all of their benefits at the same time nor in the same form.

It may be possible for a member to draw their benefits earlier than the minimum age if the member provides evidence to Legal & General that the member has stopped work because they are (and will continue to be) incapable of carrying on their occupation because of physical or mental impairment.

2. Form of Retirement Income

A member's retirement income can be taken as –

(i) a lifetime annuity, which will be provided by buying an annuity with an insurance company of the member's choice (which may be an associate company of Legal & General) or

(ii) income drawn directly from the member's Retirement Fund (income withdrawal), or

(iii) any combination of these.

Contracting-out benefits are subject to certain restrictions as to the way in which they can be paid.

3. Alternative Cash Benefit

A member may, at any date they choose to start taking an income, take part of their Retirement Fund as a lump sum benefit.

The maximum amount which a member may take as a lump sum without incurring a tax charge is, normally, one quarter of that part of their Retirement Fund which is being used at the relevant time to provide benefits for the member.

If the member chooses to take the income withdrawal option, they will only be able to take the lump sum benefit at the time the member starts to take income withdrawal. The member will not, in particular, be able to take a lump sum benefit when they use that part of their Retirement Fund from which they have been taking income withdrawal to buy an annuity.

4. Retirement Pension

(i) Duration

A member's pension or annuity may be payable during their lifetime only, or a member may choose that a pension is payable after their death to their surviving widow(er), registered civil partner or another dependant nominated by the member. This pension may be such a proportion of the member's own pension as the member may choose, except that the total yearly pension payable after a member's death must not be greater than that payable during the member's lifetime.

In the case of any contracting-out benefits within the member's Arrangement(s), the member's pension in respect of those benefits must include a further pension payable after the member's death to their widow(er) or surviving civil partner (if any) if the member is married or in a registered civil partnership when they begin receiving their pension benefits. This further pension will normally be at half the yearly rate payable during the member's lifetime.

A member may also choose that the pension payable during their lifetime should continue in any event for a guaranteed period of up to ten years, (five years in the case of contracting-out benefits). Any payments due as a result of this guarantee (except contracting-out benefits payable to the member's widow(er) or surviving civil partner) will be paid to the member's estate and will form part of such estate for inheritance tax purposes.

(ii) Payment

A member's pension will be payable during the member's lifetime and that of their widow(er), surviving civil partner or dependant. However, if the dependant is a child, the pension will be payable only until that child reaches the age of 18 (or 23 if he or she remains in full time education until that age).

The pension will normally be payable by monthly instalments in advance, but a member may choose that payments are made in arrears and/or at quarterly, half yearly or yearly intervals.

The amount of a member's pension will normally be the same from year to year, but a member may be able to choose that it be increased each year by a fixed percentage, or in line with the cost of living. In addition, with a lifetime annuity, a member may be able to choose an income, which can fluctuate from year to year such as a with-profits annuity.

(iii) Yearly Amount of Pension

If bought from Legal & General or an associated company of Legal & General, the initial yearly amount of pension payable will be calculated by applying that part of the available Retirement Fund the member has chosen to use on the appropriate annuity basis generally in use by Legal & General at that date for pensions under personal pension schemes.

The annuity basis to be used will take account of a number of factors, including:

- (i) a member's age and sex (and those of their husband, wife, registered civil partner or other dependant if any pension is to be provided for him or her after the member's death);
- (ii) the extent to which any pension is to be payable after the member's death, and how much it is to be;
- (iii) the frequency of payment required and whether part or all of the pension is to be payable for a specified minimum period;
- (iv) the extent, if any, to which the pension is to increase during payment, and
- (v) whether the instalments are to be paid in advance or arrears.

In the case of any pension relating to contracting-out benefits, Legal & General is required by law to use an annuity rate which takes no account of the member's sex or marital status. If, however, the member is not married at the time that they take their contracting-out benefits, a rate taking account of the member's marital status can be used if the member requests this.

5. Income Withdrawal

If a member chooses to withdraw income directly from their Retirement Fund then:

- (i) the member must designate how much of their Retirement Fund is to be set aside for this purpose. If under 75, a member can choose to take no income and just take a lump sum. If the member did not take a lump sum when designating income withdrawal, they will not be able to take a lump sum if they subsequently use the fund to obtain a scheme pension or lifetime annuity.
- (ii) Any investment under a self-invested Arrangement will remain unchanged, unless the member gives Legal & General instructions to the contrary.
- (iii) If any part of a member's Retirement Fund relates to any investment in an insured Arrangement, then the insured Arrangement must be surrendered and invested in the self-invested Arrangement. Legal & General will require part of the amount to be invested in a Legal & General pension policy. The minimum amount required to be invested in this way will be notified to the member at the time they choose to take income from their Retirement Fund

(iv) At age 75, a member must, unless Legal & General notifies the member otherwise, use their Retirement Fund to obtain a scheme pension or lifetime annuity unless the member chooses to transfer their Retirement Fund to another registered pension scheme.

(v) A member will be provided with written details of how income withdrawal will operate at the time the member makes a designation. These should be read in conjunction with the Member's Booklet as the terms which apply to the member's Arrangement(s) whilst the member is withdrawing Income.

6. Reaching Age 75

At age 75 a member must take their income as a lifetime annuity or scheme pension. However, a member can instead choose to transfer their Retirement Fund to another registered pension scheme in order to obtain an Alternatively Secured Pension.

If the member does not notify Legal & General of the form in which they wish to take their benefits by the time they reach age 75, the member will be deemed to have chosen to have an Alternatively Secured Pension with no income. In these circumstances, the member's Retirement Fund may be subject to a tax charge and the member may lose the right to take part of their Retirement Fund as a tax free cash sum.

7. Retirement Fund

The way in which a member's Retirement Fund is calculated depends on the type of Arrangement(s) involved. In the case of an insured Arrangement, it is the proceeds of the account held for the member under the Scheme Policy. In the case of a self invested Arrangement, it is established in accordance with 'Calculation of Retirement Fund' on page 14.

8. Purchase of Pension from Another Insurer

If a member chooses, the amount which would have been applied to provide the pension or pensions described above (after deduction of any cash sum paid) will be made available for the purchase of any permitted alternative pension or pensions from another insurance company or friendly society.

The pension policy will (unless Legal & General agrees otherwise) be issued to Legal & General as trustee.

Alternatively, the member can choose to transfer the whole of their Retirement Fund to another registered pension scheme.

9. Election of Options

If a member wishes to exercise any of the options described in this section, they must notify Legal & General in writing at least one month before the date on which the member wishes to take their benefits. However, the member should bear in mind that some assets (for example real property) are not always readily realisable and this should be taken into account when exercising any option.

BENEFITS ON TRANSFER OR DEATH

1. Transfer Out

A member may choose, at any time before benefits are first paid from their Retirement Fund, to have a transfer payment paid from the Scheme to another registered pension scheme or to an overseas scheme acceptable under the Finance Act. As long as the transfer is to another registered pension scheme, the transfer will not give rise to any tax charge.

A member may also choose to have a transfer payment made to another registered pension scheme at any time while they are taking income withdrawals as described in section 5 of 'Retirement Benefits' on page 8, but if the member does so, the member must take income withdrawals under the other scheme.

Any transfer involving a fund invested wholly or partly in real property may be delayed for up to six months at Legal & General's discretion.

If any part of the member's Retirement Fund relates to contracting-out benefits, a member may still transfer that part of their Retirement Fund even if benefits have been taken in respect of the rest of their Retirement Fund as long as the transfer is taken before the member has started to take their contracting-out benefits.

Any part of the member's Retirement Fund which relates to contracting-out benefits may only be transferred as described above if the rules of the receiving scheme permit a transfer of the contracting-out benefits to that scheme.

No further benefit(s) will be payable to the member under the Scheme in respect of any part of the member's Retirement Fund which has been paid as a transfer payment as described above. Once such a payment has been made, no further contributions may be paid by or in respect of the member to the Scheme unless Legal & General agrees otherwise.

2. Death before Payment of Pension

If a member dies before payment of their pension has commenced, or before benefits are first paid from their Retirement Fund, the Retirement Fund will be applied to provide the benefit or benefits described in sections 3 and/or 4 below.

3. Pension for Widow(er), Surviving Civil Partner or Dependant

If a member's Arrangement(s) includes any contracting-out benefits, and the member is survived by a widow(er) or registered civil partner, then all contracting-out benefits under the Arrangement(s) must be applied to provide a pension for that survivor.

The remainder of the Retirement Fund under that Arrangement(s) must also be used to provide a pension for that widow(er) or for a dependant.

In any other circumstances, the Retirement Fund will only be used to provide a pension for the member's widow(er), registered civil partner or for a dependant named by the member if the member has given Legal & General written instructions to that effect before their death.

Where the member has not instructed Legal & General to pay such a pension, the member's Retirement Fund will be paid in accordance with section 4 below.

Any pension payable to a widow(er), surviving civil partner or dependant will normally be payable by monthly instalments in advance during his or her lifetime . However, the widow(er), surviving civil partner or dependant may choose before it commences:

- (i) that it should be payable in arrears; and/or
- (ii) at quarterly, half-yearly or yearly intervals; and/or
- (iii) that it may continue after his or her death for the benefit of any child under 18 years of age for whom he or she was then receiving child benefit; and/or
- (iv) that it may continue to be payable in any event for a guaranteed period of up to ten years.

Any pension will be paid at a level amount unless the widow(er), surviving civil partner or dependant chooses otherwise.

If a pension becomes payable in accordance with this section, it may be possible for the member's widow(er) or dependant to take it in the form of withdrawals of income from the Retirement Fund. Details of this option will be available to the member's widow(er) or dependant at the time the pension would otherwise become payable.

4. Payment of Lump Sum Death Benefit

Any part of the Retirement Fund, which is not applied to provide a pension under the previous section, will be paid as a lump sum:

- (i) to the trustees of any trust set up by the member; or
- (ii) if no trust is set up, to either the person or persons nominated by the member or to the member's estate as Legal & General in its discretion determines; or
- (iii) if the member has not established a trust or nominated anyone, to the member's widow(er) or surviving civil partner. If the member does not leave a widow(er) or surviving civil partner, to the person or persons entitled to the member's residuary estate on their death.

If the member would like the lump sum death benefit to be paid to trustees, the member must declare the trust(s) subject to which it is to be held. The trust should not benefit the member or the member's estate, nor should it be able to be revoked.

If the member has not established a trust, they may nominate a person to (or for) whom any lump sum death benefit is to be paid. A nomination can be in favour of more than one person in the proportion specified by the member. A nomination cannot benefit the member or the member's estate. Legal & General will at its discretion pay the benefit to whomever it decides of the person(s) nominated and/or the member's estate.

If the member does not set up a trust or nominate anyone to whom the benefit is to be paid, Legal & General will pay the lump sum benefit to the member's widow(er) or surviving civil partner, if any. If the member is not survived by a widow(er) or civil partner, the lump sum benefit will be paid to the persons entitled to the member's residuary estate.

Notes:

(i) The member may establish a trust or make a nomination at any time. The member may make a nomination in their application for membership to take effect on their becoming a member. The member must be 18 years of age or more to establish a trust or make a nomination.

(ii) The member must notify the identity of the trustees to Legal & General in writing.

That notice must be received by Legal & General before the date of the member's death for Legal & General to be bound by it.

(iii) If a trust is declared it will override any nomination.

(iv) Any nomination must be made in writing and received by Legal & General before the date of the member's death. Once made, the member cannot revoke a nomination. However, the member may, at any time, replace their nomination with a new nomination.

(v) If a person nominated by the member is no longer alive, Legal & General will pay the benefit either to the member's estate, or to that of the person nominated, at its discretion. Accordingly, if a person nominated dies, the member should make a new nomination unless the member wishes Legal & General to consider paying it to that person's estate.

(vi) If any person nominated is under age 18 at the date of the member's death, Legal & General may make payment to that person's parent or guardian, or in any other way it decides, for the benefit of that person.

TAXATION OF BENEFITS

(i) Income

Any income payable under the Scheme to a member or anyone else is taxable as employment income and tax will be deducted at the appropriate rate based on the PAYE coding of the relevant individual as notified by HMRC.

(ii) Lump Sums

If a member takes part of their Retirement Fund as a cash sum, then any amount taken over and above the maximum the member is allowed will be subject to a tax charge. Currently, this charge will be equal to at least 40% of the excess over the maximum.

A lump sum benefit described in section 'Benefits on Transfer or Death' on page 10 is not normally liable to inheritance tax under present legislation.

(iii) Retirement Fund

If, when a member takes any retirement benefits, the total amount being used to provide benefits for the member together with any amounts previously used under all registered pension schemes to provide benefits, exceeds the member's lifetime allowance the member will be liable to a tax charge on the amount of the excess. The amount of the charge will depend on the form in which the member takes the benefits relating to the excess. Any income will be taxed as described in (i) above.

A similar tax charge will be payable if the amount payable as a lump sum on the member's death in accordance with section 'Benefits on Transfer or Death' on page 10 exceeds the member's Lifetime Allowance.

SELF INVESTED ARRANGEMENTS

1. Administration

The administration of a member's self invested Arrangement(s) will (unless the member is notified otherwise) be carried out by Legal & General.

2. Permitted Investments

A member may only invest in the following:

Stocks and Shares traded on a recognised UK or Overseas stock exchange
Shares quoted on the Alternative Investment Market (AIM)
Authorised Unit Trusts
Tax Exempt Unauthorised Unit Trusts (excluding those holding residential property)
Investment Trusts
Open Ended Investment Companies (OEICs)
Insurance Company Funds (for example, TIP)
Fixed Interest Securities
UK Gilts
UK Real Estate Investment Trusts (UK REITs)
Debenture Stocks
Warrants
Permanent Interest Bearing Shares (PIBS)
Convertible Securities
Listed Hedge Funds
Commodity Futures (subject to terms and conditions)
Venture Capital Trusts (VCTs)
Deposit Accounts
Undertaking for Collective Investment in Transferable Securities (UCITs)
Rents
Depository Interests
Traded Endowment Policies
Individual Pension Accounts (IPAs)
Commercial property and land in the United Kingdom (further acceptance criteria apply)

A self invested Arrangement(s) cannot be used:

- (i) to provide loans to any person;
- (ii) to invest directly in residential property or land attached to it
- (iii) to invest in:

- personal chattels capable in any way of private use;
- premium bonds, gold bullion or traded endowment policies
- milk or fish quotas
- shares traded on OFEX
- unlisted shares
- futures and options of any sort
- such other investments as Legal & General may specify from time to time.

If an investment involves a transaction with the member or any person connected with the member and the result of that transaction is not the same as it would have been had the transaction been an 'arm's length' transaction, it will give rise to a tax charge.

3. Charges

Details of charges relating to a member's self invested Arrangement are published in writing from time to time. If a member requires details of the charges in relation to their self invested arrangement at any time they can request these from Legal & General.

4. Investment Managers

A member may choose their own investments for their self invested Arrangement(s) which will be arranged by Legal & General or, alternatively, appoint a discretionary fund manager to do so for the member. The member may choose more than one investment manager if they wish. Where a member does choose a discretionary fund manager, Legal & General will enter into terms of business with that manager. The fees or charges for any appointed discretionary fund manager will be payable from the funds in the member's self invested Arrangement(s).

5. Calculation of Retirement Fund

The amount available to provide benefits at any date will be the realised value of the assets under the member's Arrangement(s) after the deduction of any outstanding charges.

DISCONTINUANCE OR AMENDMENT

1. Discontinuance of Contracting-Out Contributions

Under the law governing contracting-out, either the member or Legal & General may cancel an arrangement for the payment of contracting-out contributions from the beginning of the current or subsequent tax year, but the member may not do so without Legal & General's consent in respect of the first tax year to which that arrangement applies.

If such an arrangement is cancelled, any regular contributions which the member is paying may only continue if such contributions meet Legal & General's minimum requirements at the time.

2. Discontinuance or Amendment of the Scheme

Legal & General has the right, as trustee, to discontinue or amend the terms of the Scheme, including the Scheme Rules, at any time. Members will be notified at the time of any such discontinuance or Amendment of the impact of the discontinuance or amendment on them.

ABOUT THE SCHEME

1. Operation of the Scheme

The Scheme has been established by a declaration of trust made by Legal & General (Portfolio Management Services) Limited.

Legal & General (Portfolio Management Services) Limited is the present trustee and administrator of the Scheme. References to 'Legal & General' in this booklet are to Legal & General (Portfolio Management Services) Limited in either of those capacities, whichever is applicable in the circumstances.

2. Scheme Status

The Scheme is a registered pension scheme under Part 4 of the Finance Act.

Statements in this document about the tax treatment of contributions and benefits are dependent on the Scheme continuing to be a registered pension scheme. They also represent Legal & General's current understanding of the law and applicable tax

rules. Any change in the law or tax rules may impact the statements made in this document.

It is intended that the Scheme will be operated in such a way that payments made from it are authorised payments for the purposes of Finance Act 2004. Notwithstanding any other provisions of this document, no member has a right to any payment which would be an unauthorised payment for the purposes of that Act

3. Contracting-Out

It is intended that the Scheme will become an appropriate personal pension scheme in accordance with the Pension Schemes Act 1993, in order to enable members who are employees to use it for contracting-out of the earnings related part of the State Scheme.

4. Conditions Applying to All Arrangements

Payment of any benefit will be subject to:

- (i) the member having provided, at the date of application for any benefit and at the date of any proposed increase in its amount, any evidence of good health and insurability which Legal & General may require; and
- (ii) the production of such evidence as Legal & General may reasonably require of the occurrence of the event giving rise to payment of the benefit and of the identity of the person or persons to whom it is payable.

Where the calculation of any benefit or the cost of any benefit is dependent on the age of any person, payment of the benefit will be subject to the production of such evidence of that person's date of birth as Legal & General may require. If the evidence shows that the date of birth is different from that previously stated, Legal & General will be entitled to adjust the amount of benefit payable to that person which would have applied if the correct date of birth had been stated at the commencement of the member's Arrangement.

Payment or continued payment of any pension under the Scheme will be subject to the production of such evidence as Legal & General may from time to time require of the identity and survival of the person or persons in respect of whom the pension is payable.

Apart from any specific power, Legal & General reserves the right to amend the terms of the Scheme in the event of any change to legislation or taxation rules applying to the Scheme or to Legal & General (and/or any of its associated companies) or to the investments held within the Scheme, or if any charge or levy or restriction relating to any of the above is imposed or altered.

5. General Information

Attention is drawn to the existence and purpose of three central bodies dealing with occupational and personal pension schemes as described below.

The Pensions Tracing Service

Details of this Scheme, including a contact address for the trustees, have been given to the Pensions Tracing Agency, which provides a tracing service for ex-members of schemes with pension entitlements, and members' dependants, who have lost touch with earlier employers. Enquiries should be addressed to:

The Pensions Tracing Service, The Pension Service
Tyneview Park, Whitley Road
Newcastle upon Tyne
NE98 1BA

The Pensions Advisory Service Ltd (TPAS)
TPAS is available to assist members and beneficiaries of a scheme with difficulties which they may have failed to resolve with trustees or administrators of schemes. Its present address is:
The Pensions Advisory Service Limited
11 Belgrave Road
London
SW1V1RB

The Pensions Ombudsman
The Ombudsman has the power to investigate and decide upon complaints and disputes involving occupational and personal pension schemes. Any complaints or disputes regarding the administration of the Scheme should therefore be sent to:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1KB

However, the Pensions Ombudsman has agreed with the Financial Services Authority that where the personal pension provider is regulated by the Financial Services Authority (FSA), complaints and disputes involving the selling of personal pensions will be dealt with by the Financial Ombudsman Service. As Legal & General is regulated by the FSA, any complaints and disputes of this nature should be referred to the Financial Ombudsman Service at the following address:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

GLOSSARY

Alternatively Secured Pension: This is intended to provide an income in retirement for Scheme members and their dependants after age 75, rather than be used as a device to pass on tax-privileged pension funds.

Annual Allowance: This is the maximum gross contribution made to a member's pension without incurring a tax charge and changes from year to year. It is £235,000 in the 2008/2009 tax year. The amounts for the years 2009/10 and 2010/2011 are shown in the table below. After 2010/2011 it will be reviewed on an ongoing basis.

Tax Year	Annual Allowance
2009/2010	£245,000
2010/2011	£255,000

If a member has benefits under a defined benefits scheme, it is the increase in value of the member's benefits over the scheme year that counts and not the actual contribution to that scheme.

Arrangement: means a part of the Scheme which provides benefits for a member and may be an insured arrangement or a self invested arrangement. A member may have more than one arrangement.

Enhanced Protection: HMRC levies a tax (known as a Lifetime Allowance charge) on individual pension assets that exceed the Lifetime Allowance. 'Enhanced Protection' is a type of 'protection' available to some scheme members, which can avoid this tax charge. Enhanced Protection is available only to members who build up no further pension scheme benefits or make no pension contributions after 5 April 2006. Enhanced Protection is lost immediately if any new pension contributions are paid.

Finance Act: means the Finance Act 2004 as amended from time to time.

Lifetime Allowance: a member's Lifetime Allowance is a ceiling on the amount of tax privileged pension savings that they can build up. Unless a member is entitled to Enhanced Protection, any excess benefits above the Lifetime Allowance will receive a Lifetime Allowance charge of up to 55%. For most people their Lifetime Allowance will be the Standard Lifetime Allowance. The Standard Lifetime Allowance for tax year 2008/2009 is £1,650,000. This will rise to £1,800,000 in tax year 2010/2011.

Membership Certificate: means the certificate issued to a member when they joined the Scheme or began a new Arrangement under it.

Relevant UK Earnings: means employment income or income which is immediately derived from a trade, profession or vocation or patent income of an individual in respect of an invention.

Retirement Fund: means the total amount available to provide benefits at any date being the total value of the assets under the member's Arrangement(s).

Scheme Policy: means the insurance policy or policies issued to the trustee by Legal & General Assurance Society Limited securing the benefits in the Scheme under a member's insured Arrangement.

Scheme Rules: means the Scheme documents (as amended from time to time) which govern the Scheme including the Rules to be adopted on or before 14 April 2009.

Selected Retirement Date: means the date agreed between a member and Legal & General as the date on which payment of the member's pension is due to begin as shown on the Membership Certificate. A member may, with the agreement of Legal & General change their Selected Retirement Date to an earlier or later date than that specified in their Membership Certificate so long as the new date is one permitted by law. If a member does change their Selected Retirement Date then the new date becomes their Selected Retirement Date for all purposes under their Arrangements.