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ST. JAMES'S PLACE

RETIREMENT PLAN REPLACEMENT SCHEDULE NO. 3

This is to certify that The Trustees of the Terraquest Solutions Plc Executive Retirement Plan (the Investor) hold a St. James's Place Executive Retirement Plan as follows:

PLAN NUMBER	: 50B79K92	REGULAR CONTRIBUTION	: £892.90 payable each month as from 10 February 2006. This regular contribution has an investment content of 102%.
SCHEME NUMBER	: 10P23J19		
SELECTED RETIREMENT DATE	: 29 July 2010		
COMMENCEMENT DATE	: 10 September 1997	DATE OF RENEWAL	: 10 September
		SCHEME MEMBER	: Peter John Gannon
PAYMENT ON DEATH	: The Bid Value on the date of death of the Member.		

This Schedule is subject to the Executive Retirement Plan Plan Conditions (Reference Z178/12/94) and to the Supplementary Provisions attached.

Signed on behalf of the Company


Chief Executive

Date : 15 November 2006

This Plan Schedule is an important document and should be kept in a safe place.
St. James's Place UK plc, Head Office, St. James's Place House, Dollar Street, Cirencester, Gloucestershire, GL7 2AQ

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ST. JAMES'S PLACE

RETIREMENT PLAN REPLACEMENT SCHEDULE NO. 3

Supplementary Provisions for Plan Number 50B79K92

THE FOLLOWING ARE INCLUDED WITH THIS PLAN:

- * Automatic Increases to Contributions by the greater of 10% and the rise in Average Earnings Index.

THE FOLLOWING ARE NOT INCLUDED WITH THIS PLAN:

- * No Sum Assured applies to this Plan and, therefore, the Special Event Option does not apply.

Signed on behalf of the Company

M. L. Smith
Chief Executive

Date : 15 November 2006

This Plan Schedule is an important document and should be kept in a safe place.

St. James's Place UK plc, Head Office, St. James's Place House, Dollar Street, Gloucester, Gloucestershire, GL1 2AQ



ST. JAMES'S PLACE

RETIREMENT PLAN SCHEDULE

This is to certify that Peter John Gannon (the Investor) holds a St. James's Place Retirement Plan as follows:

PLAN NUMBER : 88C66U62
COMMENCEMENT DATE : 1 April 2010
SELECTED RETIREMENT DATE : 29 July 2025
SINGLE CONTRIBUTION : £7173.25 on 2 April 2010
PAYMENT ON DEATH : The Bid Value on the date of death of the Investor.

This Schedule is subject to the Retirement Plan Terms and Conditions (Reference 3248/04/10).

Signed on behalf of the Company

Chief Executive

Date : 19 July 2010

This Plan Schedule is an important document and should be kept in a safe place.

St. James's Place UK plc, Head Office, St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP



J. ROTHSCHILD
ASSURANCE

EXECUTIVE RETIREMENT PLAN
(Second Series)

POLICY CONDITIONS

**Executive Retirement Plan
(Second Series)
Policy Conditions**

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Registered Office: J. Rothschild House, Dollar Street, Cirencester, Gloucestershire GL7 2AQ, United Kingdom. Telephone: 01285 640302. Registered No. 2628062 England.

Z178/12/94(1)

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1. INTRODUCTION

1.1 Definitions

In these Policy Conditions, the following definitions shall hold:-

"Actuary" means the Actuary appointed by the Company in accordance with the terms of Section 19 of the Insurance Companies Act 1982.

"Additional Regular Contributions" means a Regular Contribution commencing subsequent to the Commencement Date.

"Administration Centre" means the office and address of the Company as notified to the Investor for this purpose, from time to time. The Company shall notify the Investor of any change to this address, at least one month prior to the effective date of the change, by written notice sent to the last known address of the Investor in the Company's records.

"Commencement Date" and "Date of Renewal" mean the dates shown as such in the Schedule.

"Company" means J. Rothschild Assurance plc.

"Employer" means that one of the Employers, participating in the Scheme in accordance with the Rules, by which the Member is employed.

"First Contribution Date", in relation to a Regular Contribution, means the Commencement Date and, in relation to an Additional Regular Contribution, means the date on which the first payment is deemed to be due in terms of these Conditions.

"Index" means the index represented by the figures shown in the "Actual" column under the heading "Whole Economy" in the Average Earnings Index for all employees in Great Britain, published by the Government Executive Agency known as the Central Statistical Office or, if, in the opinion of the Actuary, this index shall cease to be appropriate for the purposes of the Policy, such other index or measure as the Actuary shall decide at his absolute discretion, not excluding for this purpose an index calculated by the Actuary.

"Investor" means the person designated as such in the Schedule, being the Trustee or Trustees of an Executive Retirement Plan or Arrangement, or, if the Policy is, with the consent of the Company, assigned to a third party, the assignee.

"Member" means the Scheme Member named in the Schedule.

"Policy" means these Policy Conditions and any Schedule or Schedules bearing the same Policy Number.

"Regular Contribution" means a contribution payable on a regular basis, yearly or monthly, as the case may be.

"Replacement Schedule" means a Schedule issued in respect of an Additional Regular Contribution or of an alteration, which shows details of Regular Contributions payable as from the due date of the Additional Regular Contribution or from the effective date of the alteration, as the case may be.

"Rules" means the Rules of the Scheme as originally adopted or as amended from time to time in accordance with the provisions thereof.

"Schedule" means, for each Member, any Schedule issued by the Company appended to these Policy Conditions and bearing the Member's name. It includes any amendments made thereto after the issue of the Policy whether by endorsement or by the issue of a Replacement Schedule.

"Scheme" means that Executive Retirement Plan or Arrangement of which the Investor is Trustee.

"Selected Retirement Date" means the date shown as such in the Schedule.

"Single Contribution" means a contribution other than a Regular Contribution or Transfer Payment.

"Term" means the Member's age attained at Selected Retirement Date minus the Member's age next birthday at Commencement Date or in the case of an Additional Regular Contribution, including an automatic increase arising as a result of Condition 3.9(a), means the Member's age attained at Selected Retirement Date minus the Member's age next birthday on the date the Additional Regular Contribution is first deemed to be due in terms of these Conditions.

"Transfer Payment" means a payment received by the Company, to be applied to the Policy, and designated as such on the Schedule.

"Valuation Date" has the meaning given in Condition 2.2.

Where appropriate, words in the masculine shall include the feminine and those in the feminine shall include the masculine and similarly, words in the singular will include the plural and vice versa.

1.2 General

Each Schedule appended to these Policy Conditions forms, with the Conditions, an Executive Retirement Plan (Second Series) Policy issued by the Company. The Policy confirms a contract between the Company and the Investor, based on an Application and declaration made to the Company by the Investor. In consideration of the payment to the Company of the Contribution or Contributions provided for in the Schedule and in these Policy Conditions, the Company will pay the benefits described herein to the Investor or the person otherwise entitled subject to the provisions contained in the Schedule and in these Policy Conditions and in the Rules.

1.3 Application of Policy Proceeds

The Investor shall hold the Policy in a fiduciary capacity as Trustee of the Scheme and the proceeds shall be applied to provide such lump sums or purchase such annuities, for the Member or his widow or dependants, as the Rules require. Such annuities will be purchased from the Company or from any other insurer as provided for in the Rules and selected by the Investor and the annuity rates used will be the Company's, or other insurer's, current rates for pensions business. If such annuities are not being purchased from the Company, the proceeds being uplifted, less any part being paid as a lump sum to the Member in terms of the Rules, shall be transferred in full to the insurer from whom the annuities are being purchased, or, at the request of the Investor, to a pensions consultant arranging the transaction.

The benefits payable under the Policy shall correspond with the liabilities of the Trustees under the Scheme insofar as these liabilities are, or are intended to be, secured by the Policy. Any options in the Policy provisions will be exercised only in such a manner and to the extent permitted by the Scheme provisions and in the form and at the time permitted by the Scheme provisions.

2. FUND DETAILS

2.1 The Investment-Linked Funds

The Company shall maintain a number of Investment-Linked Funds in order to determine benefits under certain policies issued by it from time to time, including Executive Retirement Plans (Second Series). Each Fund shall be represented by a separate account within the Life Assurance and Annuity Fund of the Company. The Company reserves the right to introduce further Investment-Linked Funds or to subdivide, close or merge existing Funds.

The assets of the Funds shall be invested as determined by the Company and as appropriate for each Fund. The investments may be held directly, or by means of Unit Trusts or Investment Trusts or in such other manner as shall be determined by the Company.

Each Fund shall be divided into units, of such types as may be determined by the Company from time to time. Units in any Fund may be consolidated or sub-divided at the discretion of the Company. Within a Fund, or any sub-division thereof, units of any particular type shall each be of equal value.

Units shall be created in any Fund only if assets equivalent to such units are added simultaneously to that Fund. Except to provide the deductions specified in 2.4 and 2.5 below or for the purpose of reinvestment, assets shall be withdrawn from any Fund only if units equivalent to such assets are simultaneously cancelled.

References to the Funds and to the units are made only for the purpose of calculating the benefits conferred under the Policy and neither the Investor nor any other person entitled to benefit in terms of the Policy has any legal or beneficial interest in the units or Funds or in the underlying investments.

2.2 Valuation of Investment-Linked Funds

For the purpose of establishing Offer and Bid Prices, the assets of each Fund shall be valued by the Company, on such dates ("Valuation Dates") and at such intervals as the Company shall decide but not less frequently than once per month, taking into account the value of all assets and all loans charged against the Fund, with appropriate allowance for uninvested cash, accrued investment income and accrued charges.

The values of Stock Exchange Securities shall be based on quoted prices. In the case of interests in land and buildings, the Company will base values on valuations prepared and certified by valuers appointed by the Company, with due allowance for variations since such valuations.

The value of all other assets shall be determined by the Actuary.

2.3 Prices of Units in Investment-Linked Funds

The Company will allocate units to a Policy at the Offer Price. The Offer Price of a unit shall be calculated from the middle market value of those assets in the relevant Fund attributable to that type of unit, increased by an amount appropriate for acquisition costs of those assets and for accrued investment income and reduced by an amount appropriate for liabilities and provisions for taxes and levies and by regular management charges as detailed below. The result shall be divided by the number of units of that type then in that Fund and multiplied by 100/95 and rounded up by not more than 1%. The Company may vary the Offer Price below this level.

The Company will cancel units at the Bid Price. The Bid Price of a unit shall be calculated from the middle market value of those assets in the relevant Fund attributable to that type of unit, increased by an amount appropriate for accrued investment income and reduced by an amount appropriate for costs of realisation of those assets and for liabilities and provisions for taxes and levies and by regular management charges as detailed below. The result shall be divided by the number of units of that type then in that Fund and rounded down by not more than 1%. The Company may vary the Bid Price above this level.

All adjustments arising from rounding up Offer Prices or rounding down Bid Prices shall accrue to the Company.

2.4 Regular Management Charges on Investment-Linked Funds

- (a) A Regular Management Charge shall be made in respect of each Investment-Linked Fund. This Charge shall be levied at each Valuation Date as $\frac{1}{365}$ per annum of the maximum value of the Fund during the period since the previous Valuation Date, divided by 365 and multiplied by the number of days which have elapsed since the previous Valuation Date. Capital Units, as set out in 4.2, are also subject to the charge described in 4.5.
- If assets of one Fund consist of units in another Fund, the Company will ensure that no double charging occurs.
- (b) Each month, prior to Selected Retirement Date, on the same day of the month as the Commencement Date the Company shall rebate to the Policy, by means of allocating additional Accumulation Units in the same Funds and in the same proportions as the units allocated to the Policy, 0.0416666% of the number of Accumulation Units allocated to the Policy in respect of Regular Contributions as at that day (but excluding units allocated as a result of a Contribution due on that day).
- (c) The Company reserves the right to increase the Regular Management Charge, on giving at least three months' notice in writing to the Investor.

2.5 Investment of Investment-Linked Funds

Fund monies shall be invested at the discretion of the Company which may borrow money for any Fund on the security of assets of such a Fund.

All income from the assets of a Fund shall be credited to that Fund. Deductions from a Fund shall be made in accordance with the provisions above or as determined by the Actuary in respect of the following:-

1. Expenses, taxes, duties and other charges incurred in acquiring, managing, maintaining, valuing and disposing of assets.
2. Interest on monies borrowed on account of the Fund, including interest due on monies borrowed from any other Fund.
3. Any taxes or other charges on Fund income or on capital gains in respect of the assets of the Fund.
4. A proportion of any tax, levy or other charge on the Company, such as a levy under the Policyholders Protection Act 1975.
5. Any expenses, taxes, duties or other charges incurred in connection with the Funds and not previously taken into account.

3. CONTRIBUTIONS

3.1 Regular Contributions

Regular Contributions (if any) are payable yearly or monthly as shown in the Schedule. Regular Contributions other than the first are due one year or one month (as the case may be) after the Commencement Date and yearly or monthly thereafter but no further contribution shall be payable after the Selected Retirement Date, or, if earlier, after the date of death or retirement of the Member or of the withdrawal of the Member from the Scheme.

Initially, the amount of the Regular Contributions shall be as specified in the Schedule but may be varied from any date on which a Regular Contribution is due, subject to the provisions of Condition 12.

3.2 Additional Regular Contributions

Additional Regular Contributions may be commenced at any time, subject to the Company's conditions and minimum contribution requirements at that time. Additional Regular Contributions shall be payable on the same dates as the Regular Contributions, yearly or monthly as the case may be or, if there are no Regular Contributions, yearly or monthly and on such dates as shall be agreed between the Investor and the Company.

The first payment of any yearly Additional Regular Contribution shall be deemed to be due on the Date of Renewal up to 11 months before, coincident with or up to one month after the actual date of payment. A monthly Additional Regular Contribution may be backdated by up to 11 months (but not to a date before the Commencement Date), or forward dated by up to one month, and the first payment shall be deemed to be due on the date to which it is backdated or forward dated.

Apart from the first payment of an Additional Regular Contribution and backdated payments of a monthly Additional Regular Contribution, all Additional Regular Contributions shall be paid with the Regular Contributions and, in the remainder of these Policy Conditions, where the context so admits, "Regular Contributions" shall be deemed to include Additional Regular Contributions.

3.3 Payment of Regular Contributions

All Regular Contributions shall be paid by Open Direct Debiting Instruction or by such other method as the Company may allow.

3.4 Change of Contribution Frequency

The Investor may change the basis of payment of Regular Contributions from yearly to monthly on any Date of Renewal, or from monthly to yearly on the same day of the month as the Date of Renewal in any month 12 or more months after the Commencement Date or, if more recent, the date on which the frequency was last changed, by intimation to the Company at least one month prior to the date of the change.

3.5 Month of Grace

One calendar month of grace is allowed for the payment of yearly Regular Contributions other than the first.

3.6 Part-Payment or Non-Payment of a Regular Contribution

If part only of a Regular Contribution is paid to the Company and the remainder is not paid, the part which is paid shall be held by the Company until such time as the remainder is paid or until notification that the Regular Contribution is to be reduced is received by the Company, or shall be returned to the Investor at the discretion of the Company.

If any Regular Contribution is not paid in full when due or within any days of grace allowed, the Investor shall, at the Company's discretion, be deemed to have instructed the Company to alter the Policy to paid-up in terms of Condition 11 as at the due date of the first unpaid Regular Contribution. The Policy may then only be revived at the Company's discretion on such terms as it shall decide including a Special Charge as provided for in Condition 13.3.

3.7 Single Contributions

Single Contributions may be paid prior to Selected Retirement Date subject to the Company's conditions and minimum contribution requirements at that time.

3.8 Transfer Payments

A Transfer Payment may not be paid to the Policy unless;

- (a) The prior agreement of the Company has been obtained, and
- (b) Any special requirements (including documentation) set by the Company are met, and
- (c) The amount to be paid meets the minimum contribution requirements at that time.

3.9 Automatic Increases in Contributions

- (a) The Company shall increase the amount of any Regular or Additional Regular Contribution automatically on each anniversary of the First Contribution Date or on such other date as may be determined by the Company and is specified in the Schedule. The Company shall advise the Investor, shortly before the effective date, of the amount of the increase and shall, unless notified in writing by the Investor that he no longer wishes the Company to make such increases, give effect to each such increase as from the specified date. The amount of each such increase shall be calculated on the basis chosen by the Investor using either:

- (i) the percentage (if any) by which the Index has increased over the period of 12 months ending with the fourth calendar month before the month in which the increase is to take effect; OR
- (ii) the percentage determined in (i) above or 10% if greater; OR
- (iii) a fixed percentage, agreed with the Company, in the range from 0% up to and including 15%.

Nothing in this Condition shall prevent the amount of any Regular Contribution being further and simultaneously amended as the result of a Review in terms of Condition 6.4, the operation of Condition 14.3 or the exercise of an option contained in this Policy.

If the application of this Condition results, or in the Company's opinion will result, in a breach of any of the limits set by the Board of Inland Revenue being requirements for approval of the Scheme, then the Company may adjust the terms of this Condition to avoid any such breach.

- (b) If the Investor notifies the Company that he no longer wishes the Company to make automatic increases as set out in (a) above or he reduces the level of the Regular Contribution, Condition 3.9(a) will cease to be operative from the effective date of such notification. Condition 3.9(a) will also cease to be operative under any other Executive Retirement Plan Policies which the Investor may have effected with the Company for the benefit of the Member. Condition 3.9(a) may only be subsequently revived at the sole discretion of the Company following a request by the Investor to do so and the Company is not obliged to agree to such a request.

4. UNIT ALLOCATION

4.1 Unit Allocation

In respect of each Contribution paid there shall be allocated to the Policy the number of units obtained by dividing the Investment Content of the Contribution (as defined in 4.3 below) by the Offer Price of the units on the relevant date.

- (a) In the case of the first payment of any Regular or Additional Regular Contribution and any backdated payments of a monthly Regular Contribution, the relevant date shall be the date of receipt by the Company or, if later, the date of receipt of such documentation as may be necessary to enable the Company to apply the Contribution or, at the absolute discretion of the Company, the next Valuation Date immediately following the relevant date as otherwise determined therein.
- (b) In the case of any other Regular Contribution (including a Special Regular Contribution), the relevant date shall be the due date of payment except that, if all or part of a Contribution is paid after the due date, the relevant date of any part of the Contribution shall be at the Company's discretion, but no later than the next Valuation Date immediately following the latest date of receipt by the Company of any part of the Contribution.
- (c) In the case of Single Contributions (including Transfer Payments) the relevant date shall be the date of receipt by the Company or, if later, the date of receipt of such documentation as may be necessary to enable the Company to apply the Contribution or, at the absolute discretion of the Company, the next Valuation Date immediately following the relevant date as otherwise determined herein.

If the Contribution is to be apportioned and applied to more than one Fund, each portion shall be treated as above. The Policy shall be allocated units in any of the relevant Funds in the proportions chosen by the Investor, subject to Condition 5.3.

4.2 Types of Unit

On payment of a Regular Contribution the first units allocated to the Policy shall be known as "Capital Units".

A Regular Contribution which is paid monthly will be allocated Capital Units for the first 'X' payments. The value of 'X' is determined from Table A below according to the size of the Regular Contribution.

Where Regular Contributions are paid annually the 'Fraction' of each Regular Contribution which is to be applied to Capital Units is determined from Table B below according to the size of the Regular Contribution. In applying Table B a Fraction of $\frac{1}{2}$ or less applies to the first payment of the Regular Contribution and where the Fraction is greater than $\frac{1}{2}$, the whole of the first payment of the Regular Contribution is allocated to Capital Units and the part of the second payment of that Regular Contribution which is allocated to Capital Units is calculated by taking the appropriate Fraction and subtracting $\frac{1}{2}$. If the answer is $\frac{1}{2}$ then all of that second Regular Contribution will be allocated to Capital Units.

In the event of an increase to the Regular Contribution giving rise to an amount in excess of the highest previous level as set out in Condition 12, the first payment(s) of that excess will be allocated to Capital Units in the manner described above and in applying Table A or Table B as appropriate the total size of the Regular Contribution being paid at that point in time will be used.

4. UNIT ALLOCATION

4.1 Unit Allocation

In respect of each Contribution paid there shall be allocated to the Policy the number of units obtained by dividing the Investment Content of the Contribution (as defined in 4.3 below) by the Offer Price of the units on the relevant date.

- (a) In the case of the first payment of any Regular or Additional Regular Contribution and any backdated payments of a monthly Regular Contribution, the relevant date shall be the date of receipt by the Company or, if later, the date of receipt of such documentation as may be necessary to enable the Company to apply the Contribution or, at the absolute discretion of the Company, the next Valuation Date immediately following the relevant date as otherwise determined therein.
- (b) In the case of any other Regular Contribution (including a Special Regular Contribution), the relevant date shall be the due date of payment except that, if all or part of a Contribution is paid after the due date, the relevant date of any part of the Contribution shall be at the Company's discretion, but no later than the next Valuation Date immediately following the latest date of receipt by the Company of any part of the Contribution.
- (c) In the case of Single Contributions (including Transfer Payments) the relevant date shall be the date of receipt by the Company or, if later, the date of receipt of such documentation as may be necessary to enable the Company to apply the Contribution or, at the absolute discretion of the Company, the next Valuation Date immediately following the relevant date as otherwise determined herein.

If the Contribution is to be apportioned and applied to more than one Fund, each portion shall be treated as above. The Policy shall be allocated units in any of the relevant Funds in the proportions chosen by the Investor, subject to Condition 5.3.

4.2 Types of Unit

On payment of a Regular Contribution the first units allocated to the Policy shall be known as "Capital Units".

A Regular Contribution which is paid monthly will be allocated Capital Units for the first 'X' payments. The value of 'X' is determined from Table A below according to the size of the Regular Contribution.

Where Regular Contributions are paid annually the 'Fraction' of each Regular Contribution which is to be applied to Capital Units is determined from Table B below according to the size of the Regular Contribution. In applying Table B a Fraction of $\frac{1}{2}$ or less applies to the first payment of the Regular Contribution and where the Fraction is greater than $\frac{1}{2}$, the whole of the first payment of the Regular Contribution is allocated to Capital Units and the part of the second payment of that Regular Contribution which is allocated to Capital Units is calculated by taking the appropriate Fraction and subtracting $\frac{1}{2}$. If the answer is $\frac{1}{2}$ then all of that second Regular Contribution will be allocated to Capital Units.

In the event of an increase to the Regular Contribution giving rise to an amount in excess of the highest previous level as set out in Condition 12, the first payment(s) of that excess will be allocated to Capital Units in the manner described above and in applying Table A or Table B as appropriate the total size of the Regular Contribution being paid at that point in time will be used.

Capital Units are not allocated to the Policy if Condition 8.4(b) is in effect. All other Units shall be known as "Accumulation Units". Except for the purposes of Conditions 2.4, 4.5 and 13, Capital Units and Accumulation Units shall be treated identically.

Table A

Size of monthly Regular Contribution	X
up to £249.99	24
£250 to £499.99	24
£500 to £999.99	22
£1,000 to £1,499.99	20
£1,500 to £1,999.99	18
£2,000 to £4,999.99	16
£5,000 to £9,999.99	14
£10,000 to £19,999.99	12
£20,000 and over	6

Table B

Size of annual Regular Contribution	Fraction
up to £2,499.99	$\frac{1}{2}$
£2,500 to £4,999.99	$\frac{2}{3}$
£5,000 to £9,999.99	$\frac{3}{4}$
£10,000 to £14,999.99	$\frac{2}{5}$
£15,000 to £19,999.99	$\frac{1}{2}$
£20,000 to £49,999.99	$\frac{1}{3}$
£50,000 to £99,999.99	$\frac{1}{4}$
£100,000 to £199,999.99	$\frac{1}{5}$
£200,000 and over	$\frac{1}{6}$

4.3 Investment Content

- (a) The Investment Content of all Regular Contributions is determined when they are paid. Except for Regular Contributions paid under the provisions of Condition 8.4(b), the Investment Content depends upon the total size of the Regular Contribution being paid at that point in time in accordance with the table below.

Total size of Regular Contribution	Investment Content %
£1,000 to £4,999.99 per annum OR £100 to £499.99 per month	100
More than £4,999.99 per annum OR £499.99 per month	102

- (b) The Investment Content of a Single Contribution or a Transfer Payment shall be as shown on the Schedule.
- (c) If the Company, at its absolute discretion, decides to accept a Regular Contribution, excluding any automatic increase arising as a result of Condition 3.9(a), the size of which is below the Company's minimum contribution requirements, the Investment Content will be 95%.

4.4 Policy Charge

- (a) A single Policy Charge shall be due in respect of all Executive Retirement Plan (Second Series) policies on the life of the Member which are effected for the purposes of the Scheme. The Policy Charge shall be charged against one or more of the above Policies, possibly including this Policy. The Company reserves the right at any time to decide which policies shall bear the Policy Charge. The amount of the Policy Charge shall be shown on the Schedule of all Executive Retirement Plan (Second Series) policies to which it relates.
- The Policy Charge shall be due each month as at the same day of the month as the Commencement Date or, at the option of the Company, yearly on each anniversary of the Commencement Date of one of the policies to which it relates, or once related (but not necessarily of the policy which presently bears the Charge). The Policy Charge shall be satisfied or carried forward in the manner described in Condition 13.
- (b) The Policy Charge will be increased once each year on such date as the Company shall decide taking into account any change in the value of the Index since the last increase to the Charge or, exceptionally, the Charge will be increased using a basis determined by the Actuary. Negative changes to the value of the Index will not count for this purpose.

4.5 Additional Management Charges

Additional Management Charges shall be made in respect of that part of each Investment-Linked Fund represented by Capital Units. This Charge will be levied at each Valuation Date as 3.25% per annum of the maximum value of that part of the Fund represented by Capital Units during the period since the previous Valuation Date, divided by 365 and multiplied by the number of days which have elapsed since the previous Valuation Date.

If assets of one Fund consist of units in another Fund, the Company will ensure that no double charging occurs.

On Selected Retirement Date the Company shall change, using the relevant Bid Prices, all Capital Units to an equivalent value of Accumulation Units.

4.6 Review of Charges and Investment Content

The Company reserves the right to review the Charges and Investment Content as specified in Condition 4 and in the Schedule as follows:-

- (a) To review the Investment Content of Regular and Additional Regular Contributions if Condition 3.4 is exercised.
- (b) At any time, to review the level of Investment Content and Additional Management Charge to be applied to any Additional Regular Contribution commencing on or after the date of review.

5. SWITCHING AND RE-DIRECTION OF CONTRIBUTIONS

5.1 Switching between Funds

Where the Company receives a written request by the Investor (which will include a facsimile transmission) at the Company's Administration Centre to switch Funds under the Policy, at the next Valuation Date following such receipt or, at the absolute discretion of the Company, on the date of such receipt, the Company will cancel the allocation to the Policy of some or all of the units in one or more Funds and replace such allocation with the allocation of units of the same type at the relevant Bid Price in any other specified Fund or Funds available under the Policy. The Company will make an administration charge for these operations. The value used to allocate replacement units shall be the value at the relevant Bid Price of the cancelled units, except that the value attributable to Accumulation Units shall be reduced by the amount of the administration charge referred to in this Condition and, if there are not any Accumulation Units included in the switch or their value is insufficient to meet the whole administration charge, the value attributable to Capital Units shall be reduced by the amount of the administration charge or the balance thereof.

For the purposes of this Condition, the administration charge was set at £21.60 with effect from 1st August 1994 and will be revised by the Company from time to time.

In terms of this Condition the Company will also accept a request to switch a proportion of units from one or more Funds to other specified Funds. If the Policy has been allocated units of more than one type, the proportion shall apply equally to each type.

5.2 Re-direction of Contributions

The apportionment of the Investment Content of future Regular Contributions to specified Funds may be varied at the written request of the Investor. The fresh apportionment shall take effect from the first due date of a Regular Contribution after receipt of such request at the Administration Centre of the Company.

5.3 Conditions Applying to Switching and Re-direction of Contributions

- (a) The Company will not be bound to switch any units to or from any Fund if such action would, in the opinion of the Actuary, through the operation of any relevant legislation in force at the time of request, adversely affect the interests of other policyholders of the Company.
- (b) The Company reserves the right to refuse a request to switch units or to vary the apportionment of the Investment Content of future Regular Contributions if this would result in units being held in more than six Funds.
- (c) The Company reserves the right to defer any switching between Funds for a period not exceeding six months in the case of units of a Fund, the assets of which consist wholly or mainly of interests in land and buildings, and up to one month in the case of other Funds. The unit prices applicable to the deferred transactions shall be those prevailing at the expiry of the period of deferment.
- (d) The Company reserves the right to refuse a request to switch units into a Fund which is no longer available for investment of a Contribution under a new Executive Retirement Plan (Second Series) Policy or to vary the apportionment of the Investment Content of future Contributions so as to invest in such a Fund.
- (e) The Company reserves the right to refuse a request to switch units, in terms of 5.1 above, after a switch has been made into a Deposit Fund as described in any of Conditions 7, 8 and 9.
- (f) Except as restricted by (d) above, the apportionment of the Investment Content of Additional Regular Contributions shall be the same as that which exists for Regular Contributions.

6. DEATH BENEFIT

6.1 Death of a Member

On the death of a Member, satisfactory proof of death and of the age of the Member and such other documents and information as the Company may require must be received at the Administration Centre of the Company before any payment can be made. If the age of the Member has been mis-stated on the Application referred to in Condition 1.2, the terms of the Policy shall be subject to such amendment as, in the opinion of the Actuary, is just and reasonable.

6.2 Amount of Death Benefit

The Death Benefit, which shall be payable on the date of death of the Member, shall be (a) below or where this does not apply the Death Benefit shall be (b) or (c) below in accordance with the Schedule.

- (a) if no Sum Assured is shown on the Schedule or any Sum Assured shown has been cancelled by operation of these Policy Conditions, the value at the relevant Bid Price at the date of death of the units allocated to the Policy, less any outstanding charges, or
- (b) the Sum Assured shown on the Schedule together with the value of units less charges as at (a) above, or
- (c) the Sum Assured or, if greater, the value of units less charges as at (a) above.

6.3 Death Benefit Charge

Death Benefits shall be secured by a Death Benefit Charge as set out below.

This Death Benefit Charge ("the Charge") shall be due and calculated at the option of the Company either each month as at the same day of the month as the Commencement Date or each year on the anniversary of the Commencement Date, in either case up to but not including the Selected Retirement Date. The amount of the Charge shall be the product of the appropriate Death Benefit Rate in the Company's then current scale of such rates and the "Sum at Risk" at the date of the calculation of the Charge. The Sum at Risk shall be the excess (if any) of the Death Benefit, described in 6.2 above over the value, at that date, of the units allocated to the Policy less any outstanding charges, calculated at the relevant Bid Price with such adjustments as the Actuary shall deem appropriate for Contributions payable or charges due on that date.

The appropriate Death Benefit Rate taken from the scale, shall be that applicable to the age next birthday of the Member as at the anniversary of the Commencement Date preceding the date on which the Charge is being calculated (or, if it is being calculated as at an anniversary, that anniversary). On request, the Company will provide the Investor with a copy of the appropriate scale of Death Benefit Rates current at that time.

The Charge shall be satisfied or carried forward in the manner described in Condition 13.

6.4 Reviews

Where a Sum Assured is shown on the Schedule, the Company reserves the right to review the Policy on such dates as it decides and as a result may require a reduction in the Sum Assured, or an increase in the Regular Contributions, or both. In the event that such a change is required, the Company will notify the Investor in writing at least one month before the change is due to take effect.

7. EARLY RETIREMENT

7.1 Notification

If the Member is to retire from the service of the Employer, or having previously left the service of the Employer and had the Policy assigned to him is to take the benefits, before the Selected Retirement Date the Investor shall advise the Company prior to the date on which the Member is to retire. On receipt of such advice, but no sooner than one month before the date of retirement, all units then allocated to the Policy will be switched into a Deposit Fund and any Regular Contribution due under the policy will be allocated to the same Deposit Fund. No charge shall be made for the switch.

7.2 Retirement Fund

(a) The Early Retirement Fund shall be calculated by taking the value of all units allocated to the Policy at the relevant Bid Price applicable to the date of retirement after applying the following conditions:

(i) any outstanding charges which have not been satisfied as set out in Condition 13 shall be satisfied as set out therein, and

(ii) an Early Retirement charge in terms of (b) below shall be applied.

All units shall then be encashed to obtain the Retirement Fund which shall be used to provide any cash payable in terms of the Rules with any balance being applied to purchase an annuity as provided in Condition 1.3.

(b) For Regular Contributions, an Early Retirement Charge shall apply to the Capital Units. The Charge shall be of such an amount as, in the opinion of the Actuary, shall be equivalent to the value of the Management Charges which would have been taken, in terms of Condition 2.4(a) and 4.5, had early retirement not taken place.

7.3 Cessation of Regular Contributions

Payment of Regular Contributions shall not be continued beyond the date of early retirement and the Sum Assured, if any, shall be cancelled with effect from that date.

8. ATTAINMENT OF SELECTED RETIREMENT DATE

8.1 General

Unless the Investor advises the Company to the contrary more than one month before the Member's Selected Retirement Date all units then allocated to the Policy will, one month before Selected Retirement Date, be switched automatically into a Deposit Fund. No charge will be made for the switch. Any Regular Contribution due under the Policy will be allocated to the same Deposit Fund.

8.2 All Benefits Taken

If the Investor advises the Company that all benefits are to be taken at Selected Retirement Date, all units allocated to the Policy at Selected Retirement Date will be valued at Bid Price and any outstanding charges will be deducted to obtain the Retirement Fund which shall be used to provide any cash payable in terms of the Rules with any balance being applied to purchase an annuity as provided in Condition 1.3.

8.3 Cash Benefit Taken, Balance Deferred

This paragraph applies only in the case of Members who have accrued retirement benefits under another scheme of the Employer prior to 1st June 1989 in circumstances acceptable to the Board of Inland Revenue, or in any other circumstances acceptable to the Board of Inland Revenue, as qualifying the Member to take benefits in terms of this paragraph. If the Investor advises the Company that the Member wishes to take only his cash benefit on his Selected Retirement Date then, provided that such advice is received more than one month before Selected Retirement Date, that the amount of cash benefit required is known and that the Investor has not requested the Company not to switch units into a Deposit Fund, so many of the units then allocated to the Policy as are necessary to enable the required cash benefit to be provided shall, with due allowance being made for that part of any Regular Contribution due under the Policy to be allocated to a Deposit Fund, be switched to a Deposit Fund one month before Selected Retirement Date. No charge will be made for the switch.

At Selected Retirement Date, if units have been switched to a Deposit Fund in terms of the preceding paragraph or as provided in 8.1, all units in that Deposit Fund will be valued at Bid Price and sufficient of them encashed to obtain the required cash benefit. If the Investor had, more than one month before the Selected Retirement Date, requested the Company not to switch units into a Deposit Fund, all units allocated to the Policy will be valued at Bid Price and sufficient of them encashed to enable the required amount of cash benefit to be provided. In this event the Investor may select how the encashment is to be made but failing such selection the same proportion from each Fund shall be encashed.

After the cash benefit is taken the Policy will remain subject to these Conditions in so far as they are applicable, including all relevant charges, pending instructions from the Investor.

8.4 All Benefits Deferred

(a) All benefits may be deferred if the Investor notifies the Company of the revised date on which, subject to the provisions contained in the Rules, the member intends to retire from the service of the Employer (hereinafter referred to as the "Extended Retirement Date") and that no benefits are to be taken at Selected Retirement Date. Provided this notice is received more than one month before Selected Retirement Date units shall not be switched as set out in Condition 8.1. The Extended Retirement Date shall be endorsed on the Policy and Condition 8.4(b) shall come into effect on the Selected Retirement Date.

(b) This Condition only applies as provided for in (a) above. Throughout these Conditions references to the "Selected Retirement Date" are deemed to be references to the "Extended Retirement Date" with the exception of Condition 1.1, 4.5, 7 and 11.

Notwithstanding anything to the contrary contained in these Conditions, Regular Contributions paid after the Selected Retirement Date (as defined in Condition 1.1), shall result in Accumulation Units being allocated to the Policy in terms of Condition 4.2 and the Investment Content for the purposes of Condition 4.3 shall be as shown on the Schedule.

If a Sum Assured applied to the Policy immediately before Selected Retirement Date, this Sum Assured may be continued with effect from that date subject to provision of such evidence of the continued good health of the Member and of such evidence that he is not engaged in a hazardous occupation or hazardous pursuits, as the Company shall require. If the Sum Assured is continued then, as long as the Regular Contributions continue to automatically increase as set out in Condition 3.9(a), the Company shall continue to automatically increase the Sum Assured if Condition 14.3 applies.

8.5 Cessation of Regular Contributions

Payment of Regular Contributions shall not be continued beyond Selected Retirement Date and the Sum Assured, if any, shall be cancelled with effect from that date, except as specifically provided for if Condition 8.4(b) is in effect.

9. LATE RETIREMENT

When a Member in respect of whom payment of benefits has been deferred in terms of either of Conditions 8.3 and 8.4 retires from the service of the Employer the Investor shall notify the Company accordingly. All units allocated to the Policy not already in a Deposit Fund will be switched to a Deposit Fund not more than one month prior to the date of actual retirement. No charge will be made for the switch. All units allocated to the Policy at the date of actual retirement will be valued at Bid Price and any outstanding charges will be deducted to obtain the Retirement Fund. The Retirement Fund shall be used first to provide any cash due (if applicable) in terms of the Rules with any balance being applied to purchase an annuity as provided in Condition 1.3. No further Contributions can be paid to the Policy and the Sum Assured, if any, shall be cancelled.

10. LATE SETTLEMENT

If the Company is, for any reason, unable to apply the Retirement Fund to secure retirement benefits until a date later than the appropriate date specified in Condition 7, 8 or 9, then

- (i) the Retirement Fund calculated as specified in the appropriate Condition may, at the Company's discretion, be increased and,
- (ii) in Conditions 7.2, 8.2 and 9, the amount of pension shall, if it is being provided by the Company in terms of Conditions 1.3, be determined by applying the Retirement Fund, including any increase in terms of (i) to an annuity rate determined by the Actuary at that time. Payments of the pension may, at the discretion of the Actuary, be backdated to the appropriate date specified.

11. DISCONTINUANCE OF REGULAR CONTRIBUTIONS

11.1 General

If the Investor wishes to discontinue Regular Contributions for any reason not otherwise provided for in these Conditions, then, subject to the provisions and limitations set out in the Rules, he may terminate the Policy or alter the Policy to paid-up.

11.2 Paid-Up Policy

If the Investor requests the Company to alter the Policy to paid-up, no further Regular or Additional Regular Contributions shall be payable.

If the Policy is altered to paid-up, the Sum Assured shall be cancelled.

11.3 Termination

The Investor may terminate the Policy by requesting that the Company cancel all units allocated to the Policy. The sum payable in lieu of the Policy benefits shall be the termination value, subject to the minimum value set out below, which shall be the value at the relevant Bid Price of the units allocated to the Policy less outstanding charges, except that if the Policy is to be terminated before Selected Retirement Date, the termination value shall be the Early Retirement Fund calculated in accordance with Condition 7.2 as appropriate.

The termination value (whether to be used as a transfer or surrender value) must meet the minimum value of £50 or such other amount as the Company may specify from time to time, failing which no sum shall be payable. The Bid Price used in computing the termination value shall be that applicable to the next Valuation Date following receipt by the Company at its Administration Centre of a written request for the termination in a form acceptable to the Company or, at the absolute discretion of the Company, that applicable to the date of such receipt.

11.4 Discontinuance of Policies of Small Value

The Company reserves the right, if the Policy has been altered to paid-up and if the value at Bid Price of all units allocated to the Policy is less than an amount acceptable to the Company at that time, to cancel all units allocated to the Policy.

12. CHANGES IN THE AMOUNT OF REGULAR CONTRIBUTIONS

Any reduction in the amount of a Regular Contribution other than to nil shall be subject to the Company's minimum contribution requirements at the time.

Any increase in a Regular Contribution (including any increase in terms of Condition 3.9(a)) to an amount in excess of the highest previous level of the Regular Contribution shall be deemed to be equivalent to the commencement of an Additional Regular Contribution of an amount equal to that excess.

13. CHARGES

13.1 Satisfaction of Charges

If the Policy Conditions provide that a Charge shall be satisfied in accordance with this Condition it shall be satisfied by the cancellation of some or all of the Accumulation Units allocated to the Policy. The number of units cancelled shall be obtained by dividing the Charge by the relevant Bid Price of units on the date on which the Charge is due. If the Accumulation Units allocated to the Policy are held in more than one Fund, the amount of the Charge satisfied by cancellation of units in each Fund shall be in proportion to the total value of the Accumulation Units (at the relevant Bid Price) in each Fund. Capital Units may only be cancelled to satisfy charges in accordance with Conditions 5.1 and 13.2(b).

13.2 Carrying Forward of Charges

(a) If the total value of Accumulation Units allocated to the Policy (including any allocated as a result of the Contribution due on that date) is insufficient to satisfy the Charge, the Charge or that part of the Charge not satisfied shall be carried forward to the next date on which Accumulation Units are allocated to the Policy and shall be treated as a charge due on that date.

(b) If Regular Contributions are not currently being paid and the total value of Accumulation Units as mentioned in (a) above is insufficient to satisfy the Charge, the Charge shall be satisfied by cancellation of the remaining Accumulation Units and then of some or all of the Capital Units allocated to the Policy. The number of Capital Units cancelled shall be that number, which after applying a factor calculated on the same basis as the Early Retirement Charge in 7.2(b) and multiplying by the relevant Bid Price on the date the Charge is to be satisfied, equals the value of the remaining, unsatisfied Charge.

If the Capital Units allocated to the Policy are held in more than one Fund, the amount of the Charge satisfied by cancellation of units in each Fund shall be in proportion to the total value of the Capital Units (at the relevant Bid Price) in each Fund. If necessary, this Condition may lead to the cancellation of all units allocated to the Policy.

13.3 Special Charges

If these Policy Conditions or the Schedule or any Special Provisions attached to the Schedule and referred to therein shall state that Special Charges shall be made, they shall be satisfied or carried forward in the manner described in 13.1 or 13.2 above.

14. SUM ASSURED INCREASE OPTIONS

14.1 Alteration of Amount of Sum Assured

The Investor may, at any time when the Policy is in force, request the Company to alter the Sum Assured, subject to such revised Contributions as the Company shall determine and subject to the terms of these Conditions.

14.2 Conditions for Alterations of Sum Assured

The Company may refuse to reduce the Sum Assured if the resultant Sum Assured or Contribution would infringe its minimum requirements at the time.

Any increase in the Sum Assured shall be subject to provision of such evidence of the continued good health of the Member and of such evidence that he is not engaged in a hazardous occupation or hazardous pursuits, as the Company shall require.

14.3 Automatic Increases in Sum Assured

If the Schedule indicates that the Sum Assured is increasing then as long as Condition 3.9(a) remains operative the Company will, from the same effective date as applies to increases in Contributions under Condition 3.9(a), increase the Sum Assured by the same percentage without requiring evidence of the continued good health of the Member. However if the increase in the amount of the Regular Contribution is not sufficient to meet the cost of the increase in the Sum Assured then the Company will further increase the Regular Contribution so that the said cost is met.

Nothing in this Condition shall prevent the Sum Assured being further and simultaneously amended as the result of a Review in terms of Condition 6.4 or the exercise of an option contained in this Policy.

14.4 Special Event Option

At the request of the Investor the Company shall increase the Sum Assured, without the requirement to provide the evidence specified in 14.2 above, either by altering this policy and/or by issuing an additional policy, at the discretion of the Company, subject to the following conditions:

- (a) The Option shall only be available within three months of the happening of one of the following events:
 - (i) the marriage of the Member but excluding re-marriage to a former spouse of the Member,
 - (ii) the birth of a child (or children) to, or legal adoption of a child (or children) by, the Member,
 - (iii) the receipt of an inheritance by the Member on the death of any other person,
 - (iv) the divorce of the Member, on the date on which the decree becomes absolute, or
 - (v) such other event as the Company shall, in its absolute discretion, agree should be treated as a Special Event for the purposes of this Option.
- (b) The maximum increase in the Sum Assured for each event shall be the lesser of £50,000 and 50% of the Sum Assured at the date of exercise of the option, or such higher amount as the Company shall allow, except that the increase allowed under (a)(iii) above shall not exceed the corresponding increase in the maximum Inheritance Tax liability which would arise on the death of the Member.

- (c) The Sum Assured of this policy, together with the Sum Assured of any other policy or policies on the life of the Member, shall not exceed £1,000,000.
- (d) The Option is available only if the Member has not attained the age of 55.
- (e) The Option is available on more than one occasion.
- (f) The Contribution shall be increased by such an amount as is determined by the Company.
- (g) Any additional policy issued in terms of this Option shall not, itself, contain the Special Event Option.
- (h) The Investor, at his own expense, shall provide the Company with such evidence as it may reasonably require in order that the Company may be satisfied regarding the nature of the event.

14.5 Limitation of Increase Options

If the application of any option set out in Condition 14 results, or in the Company's opinion will result, in a breach of any of the limits set by the Board of Inland Revenue being requirements for approval of the Scheme, then the Company may adjust the terms of this Condition and the options thereunder to avoid any such breach.

15. MISCELLANEOUS

15.1 Exceptional Circumstances

The Company reserves the right not to implement any of these Policy Conditions if, during the term of the Policy, this becomes impossible or impracticable as a result of legislation or otherwise. Should the basis of taxation of long-term assurance business be altered, the Company will make such alterations to the provisions of the Policy as are considered appropriate.

15.2 Law of Policy

The Policy shall be governed by the Law of England.

15.3 Alteration Charge

If, by agreement between the Investor and the Company, the terms of the Policy are varied, the Company reserves the right to levy a Special Alteration Charge which should be satisfied or carried forward in the manner described in Condition 13. The Company may also make such other adjustments as it deems necessary to give effect to the alteration.