



NEW OPEN ANNUITY - FORM A - INVESTMENT ADVISER AGREEMENT

This Agreement is made the day of Two thousand and

Between:

- 1.) London and Colonial Assurance Plc ("London & Colonial") whose registered office is at 57/63 Line Wall Road, Gibraltar of the first part and
- 2.) The individual referred to in Schedule 1 (the "Policyholder") of the second part and
- 3.) The party referred to in Schedule 2 (the "Investment Adviser") of the third part

Whereas:

- a) London & Colonial has issued a New Open Annuity policy (the "Policy") to the individual referred to in Schedule 1.
- b) Under the provisions of the Policy the Policyholder is allowed to choose (within the range of Permitted Investments) the underlying investments of the Fund.
- c) The Policyholder has appointed the Investment Adviser to provide the Policyholder with advice, in accordance with separate terms of business agreed between them, as to the assets to be held within the Fund.
- d) The Policyholder wishes London & Colonial to appoint the Investment Adviser for the purpose of carrying out certain investment instructions

It is hereby agreed as follows:

The words and expressions defined below shall have the same meanings throughout this Agreement

"Permitted Investments" means the assets that London & Colonial have determined may be held within the Fund from time to time, details of which have been provided to the Policyholder and the Investment Adviser and which may be varied from time to time as London & Colonial may decide to be appropriate or necessary.

"Fund" means the fund maintained by London & Colonial for the benefit of the Policyholder representing the value of the assets allocated to that fund.

"Investment Transactions" means all matters relating to and including the purchase and sale of the assets of the Fund.

Where the context allows, words in the singular shall be taken to include the plural and vice versa.

Where the context allows, words in the masculine shall be taken to include the feminine and vice versa.

References to legislation and regulations shall be taken to include all replacement legislation and regulations.

1. Investment Adviser appointment
 - 1.1. The Policyholder hereby requests London & Colonial to accept instructions from the Investment Adviser in relation to Investment Transactions and London & Colonial hereby appoints the Investment Adviser for this purpose in accordance with and subject to the terms, undertakings and procedures set out herein.
 - 1.2. The Investment Adviser hereby accepts the appointment set out in paragraph 1.1 and confirms that it is authorised under the Financial Services & Markets Act 2000 to act as Investment Adviser.

NEW OPEN ANNUITY - FORM A - INVESTMENT ADVISER AGREEMENT

- 1.3. The Policyholder agrees that instructions for Investment Transactions will be supplied to London & Colonial only by the Investment Adviser and that London & Colonial will not accept instructions from any other party, including the Policyholder.
- 1.4. In relation to any Investment Transaction instruction London & Colonial shall be entitled to rely on any such instruction given unless such instruction is cancelled by the Investment Adviser.
- 1.5. All instructions shall be in writing unless London & Colonial agrees otherwise.
2. Duties and responsibilities of the Investment Adviser
 - 2.1. The Investment Adviser acknowledges that although the assets are those of London & Colonial, the investment instructions shall be those of the Policyholder who shall be treated for these purposes as a retail client as defined by the UK Financial Services Authority (FSA).
 - 2.2. The Investment Adviser, in relation to any part of the fund not managed by an Investment Manager, undertakes to ensure that any assets purchased on behalf of London & Colonial will fall within the list of Permitted Investments.
 - 2.3. All investments shall be made in the name of London & Colonial or its nominee and all payments and receipts shall be made in favour of London & Colonial.
 - 2.4. The Investment Adviser will be responsible for ensuring that London & Colonial is provided with details of all Investment Transactions carried out. To the extent that these are not provided by an investment manager, trading platform or custodian within the required timescale, the Investment Adviser undertakes to provide London & Colonial with valuations and information relating to Investment Transactions every six months or such other timescale as London & Colonial shall notify to the Investment Adviser. Such valuations and information shall include:
 - 2.4.1. The name (or suitable identifier) of each holding;
 - 2.4.2. The nominal amount of the holding;
 - 2.4.3. Portfolio valuation at the six month end (including cash balances);
 - 2.4.4. Details of purchases and sales in the period (including realised gains);
 - 2.4.5. Details of cash movements in the six month period with opening balances that correspond with closing balances on the previous details issued;
 - 2.4.6. Unrealised losses and gains to be produced at the six month end;
 - 2.4.7. Where applicable, interest and/or dividends.
 - 2.5. The Investment Adviser undertakes to forward completed valuations to London & Colonial, 38-42 Perrymount Road, Haywards Heath, West Sussex, RH16 3DN within 14 days of the six month end.
 - 2.6. The Investment Adviser acknowledges that failure to provide the reporting requirements in a full, complete and timely manner will result in the termination of this Agreement.
 - 2.7. The Investment Adviser, in relation to that part of the fund that the Investment Adviser is undertaking investment instructions, confirms that no transaction will be entered into where the full liability relating to that transaction is not known at the date the transaction is effective and also that no transaction will be entered into where the full liability is not covered by the assets already held by London & Colonial in respect of the Policyholder or from the proceeds of the sale of any policy assets already held by London & Colonial on behalf of the Policyholder.
 - 2.8. The Policy is part of London & Colonial's Pension Business Fund and as such London & Colonial is entitled to receive any interest on a gross basis. London & Colonial do not make tax reclaim submissions and the Investment Adviser agrees to make the necessary arrangements, where appropriate, for London & Colonial to receive interest on a gross basis.

3. General

- 3.1. All costs, expenses and charges in respect of Investment Transactions shall be borne by the Fund and shall not be recoverable from any other assets or resources of London & Colonial.
- 3.2. London & Colonial shall carry no responsibility for the selection or performance of investments made in connection with the Fund, this being a matter between the Policyholder and the Investment Adviser.
- 3.3. It is acknowledged by all parties to this Agreement that London & Colonial shall have the overriding right to veto any Investment Transaction that in its opinion would be contrary to any statutory provision or regulation that applies to the Policy or that would be contrary to any of the provisions in this Agreement or that would, in the sole discretion of London & Colonial, require unduly complex or onerous administration.

4. Termination of this Agreement

- 4.1. This Agreement may be terminated by any of the parties to this Agreement at any time by notice in writing to the other parties.
- 4.2. The parties shall be released from their respective obligations in the event of national emergency, war, prohibitive governmental regulation or if any other cause beyond the control of the parties renders performance of this Agreement impossible, in which case:
 - 4.2.1. All monies due to the Parties shall be paid immediately or as soon as is reasonably practicable in the circumstances of force majeure then prevailing
 - 4.2.2. The Parties shall not be obliged to continue to provide the services required.
- 4.3. If this Agreement is terminated London & Colonial will not accept any further Investment Transaction instructions in relation to the Fund or its assets until a new Investment Adviser is appointed.
- 4.4. In the event that this Agreement is terminated the Investment Adviser will transfer all assets without charge in a timely manner either to London & Colonial or to such other person or company that London & Colonial shall notify to the Investment Adviser.
- 4.5. London & Colonial will not accept any liability or loss in respect of the assets within the Fund that are incurred due to an Investment Adviser not being appointed by the Policyholder.
- 4.6. London & Colonial will be entitled to sell all the assets of the Fund and place the proceeds in a cash account if a new Agreement has not been executed within one month of this Agreement being terminated.

5. Communications

- 5.1. If London & Colonial needs to provide another party to this Agreement with any document or any kind of notice it must be delivered to that party personally or posted to the last address shown for that party in London & Colonial's records.
- 5.2. If the Policyholder or Investment Adviser needs to give London & Colonial any notices, information or requests, they must be given in writing and must be sent by post or otherwise delivered to us either at our Head Office in Gibraltar or to our administration office at 38-42 Perrymount Road, Haywards Heath, West Sussex RH16 3DN or to such other place as we may from time to time tell you.

NEW OPEN ANNUITY - FORM A - INVESTMENT ADVISER AGREEMENT

6. Law

6.1. This Agreement is to be governed by and interpreted in accordance with the laws of Gibraltar and the non-exclusive jurisdiction of the Courts in Gibraltar in relation to any claim, dispute or difference that may arise in connection herewith.

Signed Date

For and on behalf of London & Colonial

Signed Date

For and on behalf of the Investment Adviser

Signed Date

The Policyholder

Schedule 1 - The Policyholder

Full name
Policy Number
Address line one
Address line two
Town / County
Country / Postcode

Schedule 2 - The Investment Adviser

Contact name
Company name
Address line one
Address line two
Town / County
County / Postcode
FSA number

Please return this form to:
London & Colonial
38-42 Perrymount Road
Haywards Heath
West Sussex
RH16 3DN

London and Colonial Assurance Plc
Registered Office:
57/63 Line Wall Road
Gibraltar





New Open Annuity - Permitted Investments

The range of permitted investments includes the following general categories:

1. Shares and other securities quoted on any regulated stock exchange world wide
2. Derivatives such as futures, options, warrants and other similar financial instruments (subject to our 6 conditions below)
3. Unit trusts
4. Investment trusts
5. Open ended investment companies and other collective investment vehicles falling within the definition of a UCITS scheme
6. Cash (all cash holdings must be at our nominated bank)

All investments must comply with the following six general conditions:

1. They must be within certain categories specified in regulations (broadly those outlined above)
2. The purchase and sale price must not be capable of being influenced by the annuitant or the annuitant's advisers or by anyone connected with them
3. They must not result in any benefit or advantage to the annuitant or to anyone connected with the annuitant other than that which is reflected in the value of the New Open Annuity
4. They must not involve us in unduly complex administration
5. They must not commit us either to any future expense or expose us to any risks that are not known at the outset and that could exceed the value of the fund underlying the New Open Annuity
6. They must be readily realisable. This means that the investment must be capable of being sold within 7 working days for an amount not less than 97.5 percent of the market value

Investments in derivatives must also comply with the following seven conditions:

Derivative instruments are permitted only if they satisfy each of the following conditions;

- Are for the purposes of reduction of investment risks or efficient portfolio management
- Satisfy the "in connection with" test
- Are covered
- Are listed on a regulated market or transacted with an approved counterparty
- Are capable of being readily closed out
- Are based on underlying assets which are themselves admissible
- Have a prescribed pricing basis

Important notes

The range of permitted investments may change from time to time.

We may decline any request to invest in any particular asset, even if it is within the permitted categories, if we consider it contrary to the spirit or the letter of any relevant regulations or if in our sole discretion we consider it does not comply with any of the six general conditions stated above.

We may require that any particular investments be sold at any time if, because of a change in regulations or other circumstances, any of the six general conditions would otherwise be breached.

Enquiries

If you have any queries or require any further information please contact a member of the Investment Team at the following address: London & Colonial, 38-42 Perrymount Road, Haywards Heath, West Sussex, RH16 3DN
Tel: 0870 7566696 Fax: 0870 7566697 Email: info@londoncolonial.com Web: www.londoncolonial.com

NOA PI v3