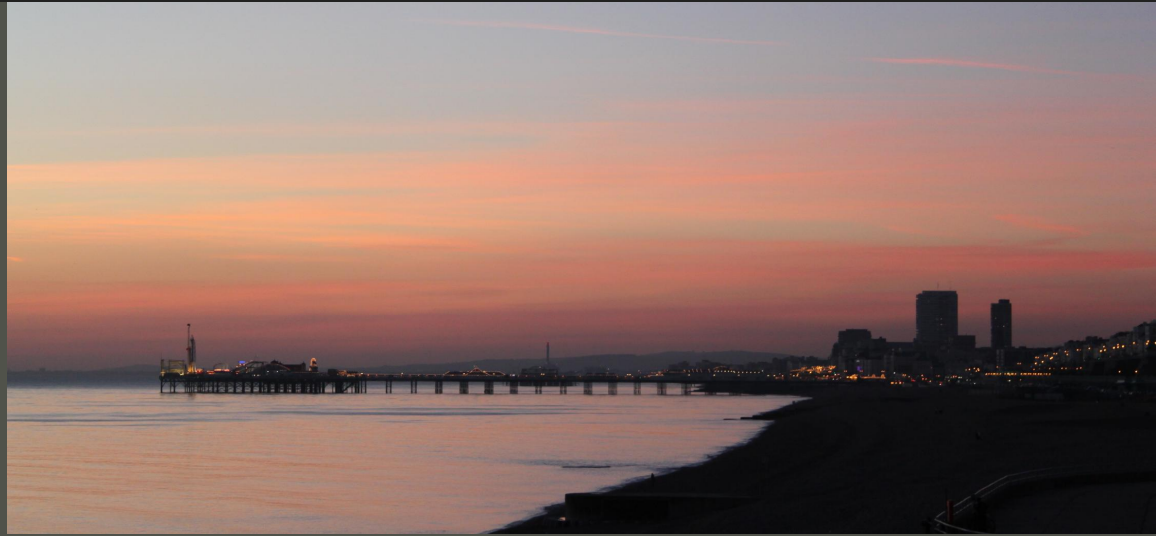


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Contents

The Policyholder named in the Schedule has made a Proposal and Declaration for a contract between London & Colonial Assurance PLC and the Policyholder.

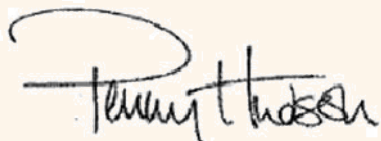
This Policy is written confirmation of this contract which is based upon the Proposal and Declaration made by the Policyholder and on all other information which has been or may from time to time be supplied for this purpose.

In return for the payment of the premium shown in the Schedule and any other premiums that may be paid under the contract, London & Colonial Assurance PLC will pay benefits in accordance with the Schedule and the Conditions identified by the code shown in the Schedule.

The benefits described in this Policy will be paid to the Policyholder or other person entitled to receive them upon proof satisfactory to London & Colonial Assurance PLC that the benefits have become payable.

In witness of this contract an Officer of London & Colonial Assurance PLC has signed this Policy on its behalf.

Signed for and on behalf of London & Colonial Assurance PLC

A handwritten signature in black ink, appearing to read 'Terry Hudson', written in a cursive style.

Authorised Officer

Policy Conditions

Section 1

Definitions

Each time we use certain words or phrases they have the same precise meaning wherever they appear in this Policy

1.1 The expressions defined in this Condition have the same meaning wherever they appear in these Conditions and in the Schedule and in any other document issued in accordance with these Conditions. References to legislation and regulations shall be taken to include all replacement legislation and regulations and where the context allows, the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa.

"Acceptable Assets"	means such assets as may from time to time be acceptable to us as investments of the Specified Fund.
"Additional Premium"	means a Premium paid to us after the payment of the Initial Premium.
"Appendix"	means the Appendix attached to and forming part of this Policy.
"Benefits"	means all or any of the amounts that become or could become payable under the terms of this Policy.
"Commencement Date"	means the date shown as such in the Schedule.
"Conditions"	means the conditions set out in this document subject to such amendments, if any, as shall from time to time be made in accordance with the provisions of Condition 6.1.
"Initial Premium"	means the first Premium paid to us the amount of which is shown in the Schedule.
"Lives Assured"	means the individuals whose names are shown as such in the Schedule.
"London & Colonial"	means London & Colonial Assurance PLC being a company registered in Gibraltar under Company Number 80650 whose registered office is at PO Box 199 57/63 Line Wall Road, Gibraltar.

“Policy”	means the definitive written statement set out in this document of the terms and conditions of the contract of insurance identified by the Schedule and made between us and the Policyholder and including all alterations, modifications, riders and endorsements and all schedules attached to this document or otherwise made or issued in accordance with these Conditions.
“Policyholder”	means the person or persons who are identified as such in the Schedule being the person or persons entitled to the benefits payable under the contract evidenced by this Policy and (unless the context otherwise requires) his or their successors in title.
“Policy Year”	means any period of one year ending on the day before an anniversary of the Commencement Date.
“Premium”	means an amount paid to us as consideration for the contract in accordance with the provisions of Condition 4.
“Schedule”	means the Schedule attached to and forming part of this Policy and all replacement or additional Schedules that we issue to you from time to time to confirm amendments made to this Policy in accordance with its terms and Additional Premiums paid from time to time in accordance with the provisions of Condition 4.
“Specified Fund”	means the fund described in Section 2.
“Specified Fund Value”	means the value of the Specified Fund determined on such basis as we consider appropriate according to the circumstances in which this value is required to be determined.
“We” or “Us”	means London & Colonial and (unless the context otherwise requires) any successors in title. “Our” has a corresponding meaning.
“You”	means the Policyholder for the time being.

Section 2

The Specified Fund

This section explains what the Specified Fund is and what amounts are credited and debited to it.

- 2.1 We will maintain a fund personal to you, called the "Specified Fund", in our long term business fund to which an amount equal to the Initial Premium and all Additional Premiums will be allocated. The Specified Fund is established solely for the purpose of calculating the benefits payable under this Policy. You have no title or rights over any of the assets of the Specified Fund which at all times remain our property.
- 2.2 We will credit the Specified Fund with:
 - 2.2.1 the Initial Premium and all Additional Premiums; and
 - 2.2.2 the value of all gains (both capital and income) arising from the investments of the Specified Fund as and when they arise.
- 2.3 We will debit the Specified Fund with:
 - 2.3.1 all payments made under the provisions of Section 5;
 - 2.3.2 the value of all losses arising from the investments of the Specified Fund as and when they arise;
 - 2.3.3 tax at the appropriate rate on the gross amount of any income received (this deduction will include any income tax retained at source, and any tax credit attributable to any such income will be taken into account in computing such deduction); and
 - 2.3.4 all costs, fees, taxes, duties, levies and expenses incurred by us in connection with the investments of the Specified Fund including, for the avoidance of doubt, all charges made by all banks from time to time holding funds attributable to the Specified Fund and by all custodians, investment managers and all other third parties providing services relating to the investment of the Specified Fund
 - 2.3.5 all costs and fees chargeable by us in accordance with the details set out in the Appendix
 - 2.3.6 all other costs, fees, taxes, duties, levies and expenses arising from the operation of this Policy

- 2.4 We have entered into this Policy to provide for the payment of benefits that are linked to the value of certain monies investments or assets belonging to us that are identified with the Specified Fund for the purpose of determining the measure of such linked benefits payable under this Policy, and those and all other monies, investments and assets of our long term business fund are equally available for appropriation by us in or towards satisfaction by us of our liability to our policyholders at large.

Accordingly (for the purpose only of resolving any doubts on the matter) we declare that although the amounts which may from time to time be attributed to the Specified Fund shall form the basis upon which the benefits provided under the terms of this Policy are to be calculated nevertheless neither the Policyholder nor any other person deriving entitlement to benefits under this Policy shall have any greater or lesser right or entitlement to any of the monies investments or assets in or belonging to us and held by us as aforesaid than any other policyholders.

Section 3

Investment of the Specified Fund

This section describes the role of the Investment Adviser and certain requirements relating to the investment of the Specified Fund.

- 3.1 We will appoint an Investment Adviser for the purpose of advising us on the investment of the Specified Fund. You must nominate an individual or firm acceptable to us to be the Investment Adviser for this purpose. The form and terms of the appointment must be acceptable to us and the Investment Adviser must agree to follow such procedures as we require from time to time.
- 3.2 The extent to which the Investment Adviser consults with you and/or makes decisions in consultation with you or makes decisions on your behalf and the basis on which the Investment Manager is remunerated must be agreed separately between you and the Investment Adviser.
- 3.3 Upon request in writing from you and subject to whatever terms of the appointment related to its termination, we will terminate the appointment of the Investment Adviser.
- 3.4 We will not accept investment instructions from anyone other than the Investment Adviser acting in accordance with an appointment current at the time that the instructions are received.
- 3.5 If at any time there is no person fulfilling the role of Investment Adviser you must make a nomination in accordance with Condition 3.1. While no appointment is in effect, unless other arrangements are made that are acceptable to both you and us, no new investments will be made but upon request from you all or any of the investments then held will be sold and the proceeds retained in cash.
- 3.6 The money allocated to the Specified Fund will be invested in whatever Acceptable Assets that the Investment Adviser instructs. The Investment Adviser may at any time instruct that any particular investments be sold or others acquired. All these instructions must be given in accordance with the procedures that we publish from time to time. We may impose special conditions in connection with any particular investments if we consider this necessary.
- 3.7 We may at any time require that all or any investments be realised to provide such liquidity as we consider necessary to meet claims made or anticipated under this Policy or to provide for any other contingencies that we in our sole discretion consider appropriate or necessary.

Section 4

Premiums

This section describes the conditions relating to amounts paid to us as Premiums.

- 4.1 Receipt of the Initial Premium is hereby acknowledged.
- 4.2 Additional Premiums may be paid to us at any time subject to our terms and conditions current at the time the Additional Premium is paid and we will issue to you a replacement or additional Schedule confirming the additional amount received. If more than one Policy Number is shown in the Schedule the aggregate of all Additional Premiums paid to us in respect of these Policies will be allocated equally between all of the Policies identified in the Schedule
- 4.3 All Premiums must be paid by cheque or in such other manner as may be agreed by us.

Section 5

Benefits

This section describes the benefits that may become payable and the circumstances in which they will be paid.

5.1 Benefit on death

- 5.1.1 On the death of the Life Assured or, if there is more than one Life Assured, the death of the last survivor of them, we will make a payment equal to 101% of the Specified Fund Value.
- 5.1.2 Following this payment the Policy will cease and no further benefit will be payable.

5.2 Regular Withdrawals

- 5.2.1 You may choose to receive regular withdrawal payments on a monthly, quarterly, half-yearly or yearly basis, subject to the conditions set out in this Condition 5.2.
- 5.2.2 Regular withdrawals may be started with effect from the Commencement Date or from any subsequent date subject to receipt by us of reasonable notice in writing.
- 5.2.3 We will continue to make the regular withdrawals on the basis that you have requested until either:
 - (a) we receive a request from you in writing to vary or terminate the regular withdrawals or
 - (b) we receive notice that the Policy has been assigned to a new Policyholder or
 - (c) if the Specified Fund Value does not exceed the amount of a withdrawal payment that has become due then we will pay the amount of the Specified Fund Value. The Policy will thereupon cease and no further benefits of any kind will be payable.
- 5.2.4 Regular withdrawals must be taken equally from all of the Policies identified in the Schedule that are for the time being in force.

5.3 Other Withdrawals

- 5.3.1 You may choose to receive single withdrawal payments at any time subject to the conditions set out in this Condition 5.3.
- 5.3.2 We will make a single withdrawal payment of any amount not exceeding the Specified Fund Value upon receipt of a request from you stating the amount of the payment that you wish to receive.
- 5.3.3 The amount of each single withdrawal payment made in accordance with this Condition will either
 - (a) be applied to reduce in equal measure the Specified Fund Value of each of the Policies identified in the Schedule or
 - (b) be applied to reduce to zero the Specified Fund Value of such number of the Policies as will result in the total of such reductions being equal to or as close as possible to but without exceeding the amount of the payment requested. Any balance of the amount of the payment requested that does not equal the Specified Fund Value of a single Policy will be applied as described in paragraph (a) of this Condition 5.3.3.

Section 6

General Provisions

This Section describes certain general conditions that apply to the Policy.

6.1 The Contract

6.1.1 No terms or conditions shall apply to this Policy which are not contained in these Conditions or the Schedule, whether made verbally or in writing, whether expressed or implied and by whomsoever they may be made and no alteration to these Conditions shall be valid unless such terms or conditions or alterations thereto are made in accordance with these Conditions or otherwise agreed between the Policyholder and us and signed or acknowledged in writing by our authorised officer.

6.2 Contract variations

6.2.1 We may alter these Conditions unilaterally either:

- (a) if this is necessary to meet the requirements of any regulator whether in Gibraltar or elsewhere or
- (b) if this is necessary to comply with Gibraltar law or
- (c) if there should be any change in the law or taxation affecting this Policy or any other change in circumstances that in our opinion makes it impracticable or impossible to give full effect to the provisions of this Policy.

6.2.2 In any of the events described in Condition 6.2.1 we shall vary the terms of this Policy as we consider appropriate to enable benefits to be provided under this Policy as near as possible to those originally intended. If we have to do this we will give you notice of the alteration that is necessary as soon as reasonably practicable.

6.2.3 No alterations other than those described in Condition 6.2.1 may be made unless they are agreed in writing by both you and us.

6.2.4 We will send you on an annual basis a statement including the following information:

- (a) details identifying the Acceptable Assets and cash attributed to the Specified Fund and the Specified Fund Value both at the beginning and end of the Policy Year, and
- (b) all items credited to and debited from the Specified Fund during the Policy Year.

6.3 Communications and instructions

- 6.3.1 If we need to provide you with any document or cheque or to send you any kind of notice we must deliver this to you personally or post it to you at the last address shown for you in our records. In the absence of specific evidence to the contrary, be deemed to have been served within seventy-two hours of its despatch.
- 6.3.2 If you or any other person needs to give us any notices, information or requests, they must be given in writing and must be sent by pre-paid post or otherwise delivered to us either at registered office in Gibraltar or c/o London & Colonial Services Limited 38-42 Perrymount Road, Haywards Heath, West Sussex RH16 3DN or to such other place as we may from time to time tell you.
- 6.3.3 No instruction, request or notice will be accepted by us until we have received such documents, information and consents as it may in its absolute discretion consider necessary.

6.4 Tax and other levies

- 6.4.1 If we are required to pay one or more long-term business levies under the provisions of the UK Financial Services and Markets Act 2000 or under any subsequent similar legislation in the UK or in Gibraltar we may on actuarial advice make whatever reductions in any of the benefits payable under this Policy or in the Specified Fund Value that we consider fair and appropriate.

6.5 Law

- 6.5.1 This Policy 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 with the Policy.

End of these Conditions

Appendix

For the purposes of Condition 2 the charges detailed below will be deducted from the Specified Fund on the relevant due dates.

- 1 An Initial Charge due on the date of commencement of the Bond calculated as the sum of (i) and (ii) below
 - (i) £775.00
 - (ii) 0.50% of the Initial Premium

- 2 An Annual Charge due on each anniversary of the Commencement Date calculated as the sum of (i) and (ii) below. In each case the relevant amount means the Specified Fund Value as determined for this purpose.
 - (i) £775.00
 - (ii) 0.50% of the relevant amount

- 3 Transaction Charges
 - (a) Withdrawals:

<i>Annually</i>	No charge
<i>Regular payments other than annually (due annually in advance)</i>	£15 per payment
<i>Additional one-off payments</i>	£25 per payment

 - (b) Cash movements other than for the purpose of the payment of benefits and settlement of charges

	£30 per transaction
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All charges shown as monetary amounts will be increased on the 1st January of each year in proportion to the increase, if any, in the UK index of National Average Earnings for the previous 12 months and annually thereafter.

All charges made by any bank from time to time holding funds attributable to the Bond and similarly all charges made by your financial adviser, custodians, investment managers and any other third parties providing investment related services will also be deducted from the fund as and when they fall due.

We reserve the right to vary the charges or to introduce additional charges if significant additional work should become necessary in order to comply with any regulatory or other requirements or circumstances arising that have consequences for the administration of your Bond.

Any charges for payments to your financial adviser, whether at the Commencement Date or subsequently, must be agreed by you. Any of the payments to your financial adviser may be varied with your agreement at any time.

POLICY DOCUMENT

Take control of your pension



For more information about any
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RH16 3DN

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