

Pooled Funds Pension Policy Conditions Booklet (AMPF7)

Introduction

The trustees of the Scheme have taken out a policy with Aegon, a brand name of Scottish Equitable plc. The terms and conditions for the policy are set out in two or more documents.

The trustees will get a 'schedule' which sets out terms which are specifically for the Scheme (for instance, the premiums, the funds in which premiums are invested). The trustees will also get this booklet, and this sets out the general conditions of the policy.

The trustees may get replacement schedules, and may also get endorsements (which set out changes to the conditions in this booklet or to a schedule).

Please also see the definition of 'Policy' in Condition 1.

It is important that all the documents are kept together and are read together.

THE CODE NUMBER FOR THIS BOOKLET OF POLICY CONDITIONS IS 'AMPF 7'.

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1. Definitions

In this Policy, unless the context sets out something different

1. words implying the masculine include the feminine, and vice versa;
2. words in the singular include the plural, and vice versa;
3. where a piece of legislation is referred to, the reference includes the legislation as amended or reenacted, and it includes any regulations made under the legislation, and it includes any corresponding provisions in force in Northern Ireland;
4. where the context allows, words and expressions used in the schedule shall have the same meaning when used in these Conditions;
5. the following terms and expressions have the following meanings.

‘Aegon means Scottish Equitable plc’.

‘Allocated Value’ is defined in Condition 4.

‘Allotted Unit’ means a Unit which has been allotted or deemed to be allotted, and which has not been cancelled or deemed to be cancelled.

‘Appointed Actuary’ means the person or persons appointed by Aegon from time to time to fulfil any of the powers, discretion or duties allocated to the Appointed Actuary in terms of these Conditions failing which, the person appointed by Aegon to act as its actuary as provided for under the Financial Services and Markets Act 2000.

‘Business Day’ means a day which is a trading day on the London Stock Exchange.

‘Fund Price’ and ‘Fund Value’ are defined in Condition 5.

‘Guaranteed Minimum Pension’ means the guaranteed minimum pension for a member of the Scheme and his widow or widower, all as defined in the Pension Schemes Act 1993.

‘Insurer’ is defined in section 275 of the Finance Act 2004 and means either:

- i. a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance, or
- ii. European Economic Area (EEA) firm of the kind mentioned in paragraph 5.d. of Schedule 3 to the Financial Services and Markets Act 2000 (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.

‘Investment Fund’ is defined in Condition 5.

‘Aegon Asset Management’ means Aegon Asset Management Limited or such other company as Aegon shall determine from time to time. For the purposes of this Policy, any request, notice and/or instruction to be given to Aegon may be given validly if given to Aegon Asset Management instead.

‘Permitted Contributions’ means the contributions or payments which may be paid in terms of the Rules.

‘Policy’ means as follows.

A Policy comprises –

- a. a schedule which refers to the Scheme;
- b. these Policy Conditions (the code number of which is referred to on the schedule);
- c. any subsequent schedules issued after the first schedule which refer to the Scheme and these Policy Conditions;
- d. any endorsement to the Policy Conditions and/or a schedule.

Where a subsequent schedule is issued, it will replace any schedule that has been issued previously unless the replacement schedule provides to the contrary.

Any changes made by the replacement schedule will take effect from the Effective Date of the Schedule.

‘Policy Year’ means a year commencing on, or on an anniversary of, the Start Date.

‘Rules’ means the Rules and other provisions of the Scheme and any amendment or modification thereof applicable at any time and from time to time.

‘Scheme’ means the Scheme specified on the schedule, provided that no amendment to or alteration of the Scheme shall affect the rights or obligations of Aegon under the Policy unless Aegon has agreed thereto in writing.

‘Special Premiums’ are defined in Condition 4.

‘Start Date’ is the date the Policy started and is set out on the schedule.

‘Switch Instruction’ is defined in Condition 5.

‘Trustees’ means the trustees for the time being of the Scheme. Where the Scheme does not have trustees, it means the person, persons and/or unincorporated body acting as the manager of the Scheme and having the powers of administration of the Scheme from time to time.

‘Unit’ in relation to an Investment Fund means one of the Units into which the Investment Fund is divided. Where the context permits, ‘Unit’ includes a fraction of a Unit, but does not include a Unit which has been cancelled.

2. Overriding provision

1. No provision of the Policy, either expressly or by implication, shall override any provision of the Scheme.

3. Discretionary powers

1. The provisions of the Policy set out situations where Aegon has discretionary powers, but do not generally set out the parameters, or all the parameters, which apply when those powers are used.
2. The effect of this Condition is to set out the general parameters which Aegon will observe for the powers set out below when exercising those powers under the Policy.

3. Inland Revenue Approval

- a. The Policy has been taken out with a view to attracting tax reliefs given to pension arrangements registered by the Inland Revenue. For the purposes of this Condition, 'registered' means registered in terms of section 153 of the Finance Act 2004.
- b. Aegon may exercise the amendment power in Condition 8 to amend the provisions of the Policy to the extent reasonably needed to obtain or keep Inland Revenue registration. The amendment may be made by Aegon without the consent of any party having a real or contingent right to benefits under the Policy.
- c. One of the beneficial effects of Inland Revenue approval is that the funds of the Policy may be referred by Aegon to 'pension business' (this is defined in section 431B of the Income and Corporation Taxes Act 1988 and, briefly, means that the funds can be invested free from all or some corporation and income taxes).

If Inland Revenue approval as regards 'pension business' is removed, and the funds of the Policy have to be taken out of 'pensions business' and dealt with elsewhere, then Aegon may exercise the amendment power in Condition 8 to amend the provisions of the Policy and the benefits payable to take account of the switch out of 'pensions business'.

The cost of the change, and the results of the change, will not be borne by Aegon except to the extent that the removal of approval was caused by them. The amendment may be made by Aegon without the consent of any party having a real or contingent right to benefits under the Policy.

4. Charges

- a. This section applies to the discretionary powers to set or alter the level or amount of charges under the Policy.
- b. The Policy is a policy which is regarded as long-term business. Owing to this long-term nature, it is neither reasonable nor practical to set out exactly how charges may be altered.
- c. This section sets out the parameters which Aegon will observe when setting or altering the level or amount of any charges. In fixing a new level or amount of a charge, Aegon will fix a level or amount which it considers in good faith is not excessive having taken into account increases in costs, its profit margin (being one which is reasonably in line with the market for these types of policies generally), the underlying value of funds to which Units of the Policy may be allocated, actuarial principles for life and pensions business, any requirements of legislation or any regulatory body, the time interval from the last alteration to the specific charge, and any extra or additional administration which is reasonably required for the Policy to be used for the purposes for which policies of this type are normally used.

5. Evidence of Age and other information

- a. The provision of benefits or cover under the Policy depends on, among other things, Aegon getting proper evidence and information (e.g. evidence of age for a prospective annuitant).
- b. Aegon shall ask for such evidence in good faith and in a reasonable manner. The evidence or information asked for shall not be unreasonably excessive or unreasonably onerous bearing in mind the underlying need for the information.

6. Long-term Business

The Policy is a policy which is regarded as long-term business. Owing to this long-term nature, it is impossible to foresee all the possible changes and provisions that may occur during the term of the Policy. Where there are changes or new provisions, and these relate to any of the provisions of the Policy, Aegon may amend, in good faith, the provisions of the Policy to take account of those changes or provisions. The amendment may be made by Aegon without the consent of any party having a real or contingent right to benefits under the Policy.

4. Premiums

Part I deals with general provisions about Premiums. Part II deals with allocation.

PART I

1. The provisions and conditions for payment of premiums and payments to the Policy are set out below. All the provisions need to be read together.
2. The premiums which may be paid are as follows.
 - a. Special Premiums, the gross amount of which is specified on a schedule. The amount of Special Premiums shown on the schedule may be the total of all Special Premiums paid up to the date of the schedule.
 - b. Any other Permitted Contributions.

3. Tax

The amount of any Special Premium shown on the schedule is the gross amount. It is not the net amount after any possible deduction of tax.

4. Payment

The method of payment of Premiums will be set out in writing by Aegon or Aegon Asset Management.

5. Further Payments

- a. The Trustees may apply to Aegon to pay, or have paid, to the Policy further payments. Aegon has complete discretion as to whether it accepts any such application.
- b. Aegon may set out conditions to be met, in respect of any such application.

However, meeting those conditions does not bind Aegon to accept any such application.

PART II

6. Payments to the Policy shall be allocated as set out below.

7. The Allocated Value of any Premium shall be the amount of the Premium.

8. Allocation to Units

- a. The Allocated Value of payments shall be invested in the Investment Funds. The Investment Funds, and the proportions of payments to be invested, shall be selected by the Trustees in a reasonable manner set out by Aegon.

If any payment is made to Aegon to be invested under the Policy, and the Trustees have not made a selection in accordance with the provisions of the foregoing paragraph, then Aegon may do one or either of the following (and may do it one way in respect of one payment, and the other way in respect of another payment);

- i. Aegon may return the payment without then investing it.
- ii. Aegon may invest the payment in the Investment Funds and proportions which Aegon chooses at its discretion.

For future Premiums, the Investment Funds and/or proportions may be changed and new ones selected by the Trustees in a reasonable manner set out by Aegon. However, there may be minimum amounts which must be applied to any Investment Fund if the change is to be acceptable under the Policy. The minimum amounts will be as set out in the Aegon Asset Management sales literature current when the change is to be made.

- b. Units will be acquired at the Fund Price for the Units of the relevant Investment Fund or Investment Funds calculated at the valuation immediately following receipt of the payment by Aegon, or otherwise as Aegon may reasonably determine from time to time.

5. Investment

1. Subject to section 10. of this Condition, Aegon shall make available Investment Funds into which payments may be invested. As at the Start Date, the available Investment Funds will be those set out on the first schedule to the Policy. Aegon may, at its discretion and from time to time, change what Investment Funds are available under the Policy thereafter. Where it makes such a change, it will issue a further schedule to the Policy setting out the new position as to what Investment Funds are to be available from the effective date of the schedule.

Where an Investment Fund becomes no longer available, and there are Allotted Units in that Investment Fund, Aegon Asset Management will ask the Trustees what alternative available Investment Fund or Investment Funds they wish those Allotted Units to be invested in. To the extent that the Trustees do not tell Aegon Asset Management what Investment Fund or Investment Funds are to apply within one month of being asked, then Aegon Asset Management will invest the applicable Allotted Units in the Investment Fund or Investment Funds that Aegon Asset Management chooses.

2. The names of the Investment Funds give a general indication of what the underlying investments of the Investment Funds are. Further details concerning investments are available from Aegon Asset Management.

Notwithstanding the name of a Investment Fund or its description, Aegon may in good faith do one or more of the following for any Investment Fund –

- a. acquire or hold any asset or investment;
- b. borrow money and pledge or use as security any asset of an Investment Fund;
- c. keep any part of the money or funds uninvested.

3. Constitution

An Investment Fund consists of all payments made to it, the investments and assets of the Investment Fund and the income and growth from those investments and assets. However, from this, the following must be deducted –

- a. all amounts paid out on the cancellation of Units of the Investment Fund;
- b. all fees, charges and expenses reasonably incurred in the running and investment of the Investment Fund;
- c. all taxes, charges and levies made by law or a regulator and attributable to an Investment Fund, its investments or the running and investment of an Investment Fund;
- d. all charges, etc set out in this Policy which fail to be deducted from Units.

Where a deduction fails to be made from more than one Investment Fund, it shall be apportioned among the applicable Investment Funds in proportion to their respective Fund Values.

4. Valuation

- a. Aegon shall calculate the Fund Value of the Investment Funds as set out below.
- b. Aegon shall calculate Fund Value for each Investment Fund at 12 o'clock noon (the time at its Registered Office) on each Business Day except to the extent that the following applies. Aegon reserves the right, in respect of calculating a Fund Value for any Investment Fund, to –
 - i. carry out a calculation less frequently provided that a calculation is carried out within one calendar month of the last preceding calculation for that Investment Fund; or
 - ii. carry out a calculation on any day which is not a Business Day; or
 - iii. carry out more than one calculation on any day; or
 - iv. carry out a calculation at a different time from 12 o'clock noon (or any other replacement time).

c. Method of Valuation

- i. The maximum and minimum values of each Investment Fund will be determined by the Appointed Actuary from the corresponding values of the assets, as after mentioned, under deduction, in each case, of the estimated value of the liabilities of each Investment Fund (including actual or contemplated liabilities, provision for estimated taxation and other liabilities which would arise on the sale of the assets, and accrued or prospective charges) as determined by the Appointed Actuary.
- ii. The maximum value of any asset will not exceed the estimated market price at which it might be bought (adding a provision for the estimated costs of acquisition). The minimum value of any assets will not be less than the estimated market price at which it might be sold (less a provision for the estimated expenses of disposal). The estimated costs of acquisition shall be such sum as the Appointed Actuary considers would have been incurred by Aegon in acquiring the asset at the date of the valuation.

The estimated expenses of disposal shall be such sum as the Appointed Actuary considers would have been incurred by Aegon in disposing of the asset at the date of valuation.

- iii. For the purposes of valuation of assets, the value of the assets quoted or listed on any recognised stock exchange shall be determined having regard to the latest published quoted prices (but subject to such adjustment as the Appointed Actuary may consider equitable to reflect any subsequent change in the market, any current restrictions or difficulties in trading in such assets and any other circumstances likely to affect such valuation). The value of the other assets will be assessed by a method which the Appointed Actuary considers appropriate and which may take account of the acquisition costs thereof or, if available, subsequent valuations, adjusted to reflect any change in the market value thereof which it is considered has taken place since the date of such acquisition or valuation.

5. Fund Price

- a. The Fund Price of an Investment Fund is as follows.
- b. The Fund Price shall be the price at which Aegon is prepared to allocate Units to, and cancel Units from, the Policy. The actual Fund Price will be fixed by Aegon, but will not be less than the minimum value nor greater than the maximum value of the Investment Fund, as described in 5.c. above, divided by the number of Units of the Investment Fund then in issue, the result being rounded down or up as Aegon chooses, but by not more than 0.1p.
- c.
 - i. The valuation and the Fund Prices of the Investment Funds for this Policy are not the same as for most policies that have access to the Investment Funds. This is mainly because the fund management charge for this Policy is not the same as for those other policies.
 - ii. The Fund Prices for Aegon Investment Funds may be quoted in general Aegon literature, in the media (e.g. newspapers) and/or in some other public way. Those Fund Prices will not apply to this Policy.
 - iii. If anyone wants the Fund Prices for this Policy, they should ask Aegon Asset Management to quote the Fund Prices that apply just for this Policy. These quoted Fund Prices are the Fund Prices to be used from time to time for this Policy.

The Fund Prices quoted for this Policy should not be assumed to apply to any other policy.

6. Deemed Investment

Where Aegon considers, in good faith, that it is reasonable not to acquire or realise Units, or actually to allot or cancel Units for the Policy, then it does not have to do that. Instead, Aegon shall deem such Units to have been acquired, realised, allotted or cancelled using Fund Value for actual Units at the relevant times. A reference in the Policy to acquisition, realisation, allotment or cancellation of Units shall include a deemed acquisition, realisation, allotment or cancellation except for the calculation of Fund Price.

7. Segregation of Investment Funds

The Trustees have no right to any surplus in respect of other Investment Funds of Aegon. Under the Policy investment is offered only in Units of Investment Funds as set out in this Policy. No Units of the Series B Funds shall be allotted to the Policy on terms which are more favourable as regards value than those offered to other holders of similar policies with Aegon.

8. Fractions of Units

For the purposes of the Policy the number of Units which is equivalent to a given sum of money shall be calculated to the nearest one-hundredth of a Unit and shall be such that the value at the Fund Price, of that number of Units, is equal to the given sum.

9. Aegon Not Trustees

The Investment Funds and the investments and assets thereof shall be the absolute property of Aegon and nothing in this Policy shall constitute Aegon a trustee for the Trustees or any other person.

10. Closing and Discontinuance

- a.
 - i. Aegon will have the right to close an Investment Fund at a date determined by Aegon, the 'effective date'. Where, at or about the time the following notice is to be given there are Allotted Units in the Investment Fund to be closed, Aegon shall provide the Trustees with not less than three months advance, written notice of the closure of the Investment Fund. Aegon may allow access to the closed Fund for any policyholder. Other than when this happens, no further Units will be issued in the closed Investment Fund. However, the Investment Fund shall remain in being until it is wound up or the last of its Units are cancelled. Unless the policyholder is allowed access to the closed Investment Fund by Aegon, on and after the effective date no further payments will be applied to that Investment Fund.

The policyholder may give Aegon an instruction as to where future payments which would have been applied to the closed Investment Fund are to be applied. That instruction must be given in similar terms to that of a Switch Instruction (described below). Until Aegon gets that instruction any such future payments will be invested in an Investment Fund chosen by Aegon.

- ii. Aegon will have the right to re-open an Investment Fund which has been closed, subject to such terms and conditions which it, in good faith, deems appropriate.
- b.
 - i. Aegon will also have the right to wind up an Investment Fund. Aegon, where, at or about the time the following notice is to be given there are Allotted Units in the Investment Fund to be wound up, Aegon shall provide the Trustees with not less than three months advance, written notice of the winding up of the Investment Fund.
 - ii. When an Investment Fund is wound up, Aegon shall realise all of the investments and assets of that Investment Fund.

All of the Units in issue shall be cancelled and when all of the investments and assets of the Investment Fund have been realised (or at such other times and in respect of all or part of the Investment Fund as the Appointed Actuary deems appropriate), the value of those Units shall be calculated by reference to the amount realised under deduction of a provision estimated by the Appointed Actuary to cover liabilities and costs of the Investment Fund.

- iii. The value of Units so determined shall be applied in allotting Units in other Investment Funds at Fund Price. The policyholder may give Aegon an instruction as to which Investment Funds the value and future payments are to be applied. That instruction must be given in similar terms to that of a Switch Instruction (described below). Until Aegon gets that instruction the said value and any future payments will be invested in an Investment Fund chosen by Aegon.

11. Switch of Investment

- a. The Trustees may ask Aegon to cancel all or any of the Allotted Units in any one or more of the Investment Funds, and then to allocate in their place Units in any of the other Investment Funds.

Similarly, the Trustees may ask Aegon to vary the Investment Funds and the proportions to which future payments are applied. Either request shall be called a 'Switch Instruction' and shall be subject to the following conditions.

- b. The request must be in writing (which includes facsimile transmissions).
- c. The transactions will be effected at Fund Prices as follows –
 - i. the Fund Price of the Unit cancelled is that at the second valuation of the relevant Investment Fund following the actual receipt of the Switch Instruction at Aegon's Registered Office; and
 - ii. the Fund Price of the Unit allocated is that at the valuation which is contemporaneous with (failing which next following) the said second valuation in i. above:
 - 1. if the Switch Instruction is received at Aegon's Registered Office on a Business Day before 12.00 o'clock noon (GMT) on that Business Day, then the Fund Price of the Unit cancelled is that on the next following Business Day;
 - 2. where (1) does not apply, the Fund Price of the Unit cancelled is that at the second Business Day following the receipt of the Switch Instruction at Aegon's Registered Office; and
 - 3. the Fund Price of the Unit allocated is that at the Business Day on which the Fund Price of the Unit cancelled is based.
 - iii. Where a Switch Instruction is delivered to Aegon's Registered Office by the Royal Mail (or, if the Royal Mail loses its monopoly of delivering mail, by any widespread mail delivery service), that Switch Instruction shall be deemed to arrive at Aegon's Registered Office at 8 o'clock am on the Business Day coincident with or next following the date of delivery.
 - iv. In respect of any switch Aegon may determine in good faith that other arrangements may apply from time to time.
- d. In the absence of instructions to the contrary, any Switch Instruction shall be deemed to relate to all Allotted Units.
- e. Any Switch Instruction given shall be irrevocable notwithstanding the terms of that Switch Instruction. Any instruction given to cancel a Switch Instruction shall be applied as if it was a separate Switch Instruction.
- f. A switch shall be deemed to take place on the day on which the Fund Price of the transferring Investment Fund applies, as set out in c. above.

12. Deferring a Switch or Surrender of a Unit

- a. When the Trustees ask Aegon to cancel Units from an Investment Fund, to switch into Units of another Investment Fund or to provide benefits under this Policy, Aegon may have to sell underlying assets of an Investment Fund.
- b. Where this happens, Aegon may have to defer the cancellation of Units as follows:
 - i. Where the Units are Units in an Investment Fund that is invested in whole or part in real/heritable property, for example land, buildings and leaseholds, Aegon may defer the cancellation of Units for up to 12 months.
 - ii. Where the Units are Units in any other Investment Fund, Aegon may defer the cancellation of Units for up to one month.
- c. Aegon can defer the cancellation of Units where:
 - i. there is not enough cash held in the Investment Fund in order to pay for the cancellation of Units.
 - ii. Aegon reasonably considers that there is not likely to be enough cash held in the Investment Fund in order to pay for expected future cancellations of Units from that Investment Fund. Aegon will base its consideration of this on current and expected trends for cancellation of Units from that Investment Fund.
 - iii. the effect of an immediate sale of assets of the Investment Fund required to pay for the cancellation of Units may, in Aegon's reasonable opinion, result in Aegon getting lower prices for the sale of those assets than if a sale of those assets had taken place within a normal timescale for the sale of such assets.
 - iv. where Aegon is unable, due to matters which Aegon could not control, to carry out a sale of assets of the Investment Fund required to pay for the cancellation of Units
 - v. other holders of Units of the Investment Funds may suffer prejudice unless the deferral takes place
 - vi. the volume of cancellation of Units requested by holders of Units in an Investment Fund is such that Aegon is unable to process the requests on the normal basis set out in this booklet.
- d. When Aegon does the cancellation of Units, where it has been deferred, the Fund Price of the Units will be the Fund Price at the first valuation of the Investment Fund after the end of the deferred period.

6. The benefits

1. Surrender

- a. Subject to any agreement to the contrary between the Trustees and Aegon, the Trustees shall have the right by written notice to Aegon to surrender all or any of the Allotted Units at any time. The Units surrendered shall be cancelled and, subject to any agreement as aforesaid and/or any provisions in the Schedule, the surrender value payable to the Trustees shall be a sum equal to the total of the Fund Prices of such Units.

This section is –

- i. subject to there being a sufficiency of Allotted Units; and
- ii. applicable only in respect of an amount if the Trustees so direct Aegon in writing.

2. Purchased Annuities

When a pension or annuity becomes payable from the Scheme the Trustees may elect to receive, in lieu of payment of an amount, an annuity secured under this Policy. The Trustees will set out in writing the annuity provisions wanted. If Aegon is willing to provide such an annuity, it will calculate and quote a purchase price.

If the Trustees accept in writing the quotation, then the annuity will be established under the Policy.

3. Open Market Option

Instead of securing an annuity under the Policy, the Trustees may by notice in writing request Aegon to pay the sums so realised, or as much thereof as possible, to an Insurer to be applied by that Insurer to pay or secure benefits:

Provided that in respect of a Guaranteed Minimum Pension it may be secured with a friendly society enabled under regulations made under section 162 of the Pension Schemes Act 1993 or under section 158 of the Pension Schemes (Northern Ireland) Act 1993 to conduct such business as is described in the respective section.

4. Cancellation of Units

Where the Allotted Units are Units of more than one Investment Fund Aegon shall cancel Units of each Investment Fund in such proportions, as the Trustees may specify, failing which Aegon shall cancel such Units as it thinks fit.

7. Charges

1. Aegon may make the charges set out in the accompanying schedule in addition to any charges set out elsewhere in the Policy. Any amount deducted or collected by way of charges shall be retained by Aegon for its own use.

2. Alterations to Charges

Aegon shall be entitled at any time and from time to time to increase or otherwise alter the amount of any charge. Aegon shall provide the Trustees with not less than one month's written notice, in advance, of the proposed alteration:

Provided that, for this purpose, an alteration to the charges in relation to an Investment Fund for which there are no Allotted Units at or about the time the said notice is to be given shall not be an alteration for which any notice is required.

3. Waiver or Reduction of Charges

In respect of any one or more policies of this class (whether or not including the Policy) Aegon may waive or reduce any charge hereunder at its sole discretion without waiving or reducing any such charge in respect of any other policy or policies of this class.

4. Payments Under Legislation etc

- a. Aegon may become liable to pay a sum under legislative or regulatory requirements where those requirements relate to their ability to carry on the business covering this type of policy.
- b. Aegon may assume liability to meet compensatory or other payments by way of a product levy.
- c. Given the Trustees want to have this Policy, and that payment of such a sum or levy is needed for Aegon to continue in the business, it is reasonable that the Policy bears a share of the extra cost or levy.
- d. Aegon may deduct the extra cost or levy by one or both of the following means.
 - i. Aegon may deduct the amount of the extra cost by including it as a deduction in terms of Condition 5.4.c.
 - ii. Aegon may, in good faith, determine the amount of the extra cost or levy applicable to the Policy from time to time and shall cancel Allotted Units at Fund Price pro rata among the Investment Funds. The amount so raised shall be used towards payment of the extra cost or levy.

5. Fund management charge

- a. A 'calculation date' is each first day of a calendar month.
- b. 'Level 1', 'Level 2' and 'Level 3' apply in respect of the Fund Value of Allotted Units in each Investment Fund under the Policy. The bands for Level 1, Level 2 and Level 3 will be as set out on the schedule, and may be varied from time to time by Aegon. Where there is a variation, Aegon will issue a replacement schedule setting out the varied bands, and those varied bands will apply from the effective date of that schedule.

- c. The percentage to be applied for each amount of Level 1, Level 2 and Level 3 amount of Fund Value of Allotted Units in an Investment Fund will be as set out on the schedule for that Investment Fund. The percentages for Level 1, Level 2 and Level 3 may be varied from time to time by Aegon. Where there is a variation, Aegon will issue a replacement schedule setting out the varied percentages, and those varied percentages will apply from the effective date of that schedule.
- d. In respect of each Investment Fund for which there have been Allotted Units during that month, Aegon shall, on each calculation date and in good faith, calculate the average Fund Value of Allotted Units for that Investment Fund for the preceding month and the amount of fund management charge for that same preceding month based upon that month's Average Fund Value of Allotted Units.
- e. Where there have been Allotted Units in the Investment Fund for the whole of the month, the method of calculation of any Average Fund Value of Allotted Units in an Investment Fund is to take the average of the Fund Value of Allotted Units in that Investment Fund at 23.59 on the last day of the applicable month and the month before that, both before the calculation date. Where there have not been Allotted Units in the Investment Fund for the whole of the month, the method of calculation of any Average Fund Value of Allotted Units in an Investment Fund is to take the average of the Fund Value of Allotted Units in that Investment Fund for the number of days in that month for which there are Allotted Units.
- f. For this purpose, where there are no Allotted Units in the Investment Fund at 23.59 on the last day of a month, the relevant Fund Value shall be zero. Further, where Units are cancelled such that, for an Investment Fund, there is a part period of a month since the last payment date, and where payment is to be provided to Aegon Asset Management under Paragraph (i) below then Aegon Asset Management acting reasonably, shall calculate the fund management charge for that part of the month, and it shall apply instead of the fund management charge calculated as set out in d. above.
- g. The calculation of the amount of fund management charge will be calculated as follows: The calculations are sequential as set out below, and the amount of an instalment of charge is the total amount arrived at by adding up the results of each separate calculation. In respect of the Fund Value of the Allotted Units in an Investment Fund within each band of Level 1, Level 2 and Level 3 for that Investment Fund, the fund management charge is calculated by Aegon for each such band using the formula $(A \times B) / 12 \times C / D$ where

A is the amount of Average Fund Value within the band;

B is the applicable percentage of fund management charge for that band; and C/D applies only where a calculation is made for a part month and C is the number of days for which there are Allotted Units in that month and D is the number of actual days in that month.

- h A 'payment date' is the Business Day coincident with or next following each 21 February, 21 May, 21 August, 21 November and, in the event of all of the Allotted Units being cancelled, the date on which the last of the Allotted Units are cancelled.
- i Payment will be made as set out in j. except as follows.
The Trustees may give to Aegon Asset Management prior notice in writing that they want to pay the fund management charge by means of a payment to Aegon Asset Management. If Aegon Asset Management agree to do this, then Aegon Asset Management will issue a written invoice to the Trustees for each such payment. The Trustees will arrange to have that payment made promptly and in any case within twelve Business Days of the date of the invoice. To the extent that such a payment is not made, then the amount not paid will, if Aegon Asset Management so decides, be paid as set out in j. below.

Notwithstanding the above, where the payment relates to the date on which the last of the Allotted Units are cancelled for the Investment Fund, then the payment will be deducted from the amount realised by the cancellation save to the extent that Aegon Asset Management agrees with the Trustees to the contrary.

- j The following applies per Investment Fund in which there are Units allotted under the Policy. Aegon, with effect from a payment date, will add up the amounts of fund management charges calculated since the last such payment date (or the Start Date if applicable). Aegon will then cancel Allotted Units at Fund Price in the Investment Fund to that value. Aegon shall account thereafter for any tax due.
- k There is a minimum amount for the total amount of fund management charge due in respect of a payment date, and that is £2,500. If the total amount calculated above in respect of a payment date is less than £2,500 then £2,500 is payable instead. The first instalment of fund management charge after the Start Date and the last installment, due when the last of the Allotted Units are cancelled, shall be exempted from this minimum charge.

8. Miscellaneous

1. Amendments to the Policy

The Policy may be amended as follows.

Any amendment which cannot be made by Aegon alone, as set out earlier, shall be made with the agreement of the Trustees. Aegon shall provide the Trustees with the details of any such amendment within at least fourteen days of the amendment being implemented.

2. Written Communications

Aegon need not accept or act on any written communication until it is received at the Registered Office of Aegon or Aegon Asset Management or such other address as Aegon shall set out in writing from time to time.

3. Exercise of Rights

- a. Any right or power exercisable by the Trustees or any other party under the Policy shall be exercised against Aegon and no claim can be made against any other company in the Aegon group of companies.
- b. Rights of Third Parties
Nothing in this Policy or in any other document that is deemed to form part of the contract of assurance of which this Policy forms part shall confer on any other party, other than the Trustees and Aegon, any right to enforce any term or terms of the Policy and of the contract of assurance

4. Applicable Law

The applicable law shall be fixed as follows. Aegon shall determine reasonably what is the main or only United Kingdom place of business of the principal employer under the Scheme at the Start Date. The applicable law shall be the law which applies to the part of the United Kingdom in which the main or only place of business is. The applicable law will not change thereafter unless Aegon and the Trustees so agree. If there is no principal employer (eg the Scheme is a personal pension scheme), then the place of residence at the Start Date of the member or the majority of members for whom the Policy secures benefits that will be used. If there is any doubt about the place of residence of the member(s) concerned, Aegon shall determine reasonably the applicable law that applies.

5. Scheme Winding-up, Wholly or Partially

If an employer ceases to participate in the Scheme, Aegon shall, on being so requested by the Trustees, endorse this Policy to show any restriction placed on the manner in which benefits under the Policy are payable consequent on members of the Scheme having a Guaranteed Minimum Pension entitlement arising from a period of contracted-out employment under the Pension Schemes Act 1993, and, if any other policy is issued by Aegon providing benefits in substitution for benefits under this Policy it will contain corresponding provisions.

6. Assignment of Policy

Where the Trustees are to pay a transfer value to another retirement and death benefit arrangement, and the transfer value includes all of the value of the Policy, the Trustees may assign the Policy to the trustees or administrator of the receiving retirement and death benefit arrangement instead. However, this is subject to the following conditions.

- a. The Trustees confirm to Aegon in writing that the transfer and assignment is completed in terms of the Rules.
- b. The Trustees give to Aegon written notice of the assignment.
- c. The Policy can be held as an asset of the receiving retirement and death benefit arrangement without needing to be endorsed, or without needing to be endorsed in terms to which Aegon does not agree. Aegon is not required to agree to any endorsement in this connection.

7. Pensions Act Appointment

- i. Aegon acknowledges that the Policy represents some of the assets of the Scheme. As such, Aegon accepts appointment as a fund manager (as defined in section 124 of the Pensions Act 1995) under that Act in respect only of the Policy. Further, for the avoidance of doubt, any powers or provisions under the Policy which are to be operated by the Trustees shall continue to be so operable notwithstanding this appointment.
- ii. Aegon's appointment in i. above will take effect from the Start Date.
- iii. Aegon shall take instructions in connection with the Policy and this appointment from the Trustees: Provided that the Trustees and Aegon may make other arrangements in writing for instructions from time to time.
- iv. Aegon will acknowledge this appointment within one month of the Start Date either by issue of policy documents which contain this wording, or by separate written intimation.
- v. Aegon will inform the Trustees in a reasonable manner if it becomes aware of any conflict or potential conflict arising between its duties under this Policy to the Trustees and any other duties it has under this Policy to other persons: Provided that the Trustees understand and agree that the Investment Funds are pooled funds and that no monitoring for such conflicts shall apply in relation to the Investment Funds because they are pooled funds.

8. Data Protection

Aegon will take such steps as are needed to ensure compliance on its part with the data protection requirements from time to time applying.

9. Liability

In carrying out its obligations under the Policy, Aegon and any employee in the Aegon UK Group of companies will act in good faith and with due diligence. Aegon and those employees shall have no liability to any person under the Policy except to the extent of any loss due to the negligence, wilful default or fraud of Aegon or those employees. Aegon and those employees will not otherwise be liable for any loss.

No warranty is given as to the performance or profitability of any Investment Fund under the Policy.

The Policy is executed on behalf of Scottish Equitable plc at Edinburgh on the Date of Execution indicated on the first schedule.

Aegon Asset Management Limited is an appointed representative of Scottish Equitable plc which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority. Aegon Asset Management Limited (company number SC212160) is registered in Scotland and has its registered office at 3 Lochside Crescent, Edinburgh, EH12 9SA. Scottish Equitable plc (company number SC144517) is registered in Scotland and has its registered office at 1 Lochside Crescent, Edinburgh, EH12 9SE.

Schedule to a pooled fund policy

The policy conditions booklet for this Policy is the booklet code 'AMPF7'.

The policy number of this Policy is .

The date of this schedule is .

The effective date of this schedule is .

Start date .

Scheme: The .

A Special Premium of £ was applied to the Policy on . Initially, it was applied to the following Investment Funds.

Name of Investment Fund	Percentage or amount of Special Premium applied to that Investment Fund

Set out below are the Investment Funds available under this Policy, the bands for Level 1, Level 2 and Level 3 and the percentage used to calculate each instalment of fund management charge in relation to the applicable level.

The band for Level 1 is up to and including £20,000,000.

The band for Level 2 is more than £20,000,000, but not more than £80,000,000.

The band for Level 3 is more than £80,000,000.

Name of Investment Fund	Level 1 percentage	Level 2 percentage	Level 3 percentage
Fixed Income Funds			
Core Plus Bond Fund	0.20%	0.10%	0.075%
Long Core Plus Fund	0.20%	0.10%	0.075%
Enhanced Corporate Bond Fund	0.20%	0.10%	0.075%
Enhanced Long Corporate Bond Fund	0.20%	0.10%	0.075%
High Yield Bond Fund	0.20%	0.10%	0.075%
Overseas Bond Fund	0.20%	0.10%	0.075%
UK Corporate Bond Fund	0.20%	0.10%	0.075%
UK Fixed Interest Fund	0.20%	0.10%	0.075%
Long Dated Balanced Bond Fund	0.20%	0.10%	0.075%
UK Long Corporate Bond Fund	0.20%	0.10%	0.075%
Index-linked Fund	0.20%	0.10%	0.075%
Long Gilt Fund	0.20%	0.10%	0.075%
UK Government Bond Fund	0.20%	0.10%	0.075%

Balanced and Equity Funds			
Balanced Managed Fund	0.20%	0.10%	0.075%
Cash Fund	0.20%	0.10%	0.075%
European Fund	0.20%	0.10%	0.075%
European Tactical Fund	0.20%	0.10%	0.075%
International Fund	0.20%	0.10%	0.075%
Japan Fund	0.20%	0.10%	0.075%
Latin America Fund	0.20%	0.10%	0.075%
North America Fund	0.20%	0.10%	0.075%
Overseas Tactical Fund	0.20%	0.10%	0.075%
Pacific Fund	0.20%	0.10%	0.075%
UK Equity Fund	0.20%	0.10%	0.075%
UK Equity Tactical Fund	0.20%	0.10%	0.075%
Active Value Property Fund	0.20%	0.10%	0.075%
UK Property Fund	0.20%	0.10%	0.075%