

Life Protection with Tax Relief

Policy Conditions

→ Introduction

The Policy Schedule issued along with and referring to this Booklet, together with the following Policy Conditions and subsequent Endorsements which are executed by Scottish Equitable, constitutes a Contract of Assurance between Scottish Equitable plc ('Scottish Equitable') and the Policyholder specified in the Policy Schedule and is based on the Application made to Scottish Equitable by the Policyholder and the acceptance of that Application.

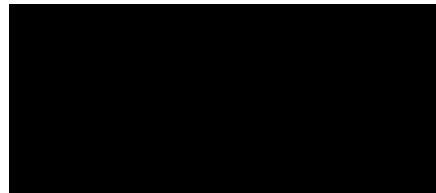
Scottish Equitable will in respect of the Policy pay the Benefits provided by the Policy in accordance with the following Policy Conditions.

Before paying the Benefits Scottish Equitable will require to be satisfied of:

1. the occurrence of the event or contingency on which the Benefits are to become payable;
2. the title of the person(s) claiming the Benefits; and
3. the age of the Policyholder named on the Policy Schedule.

The code number for this booklet of Policy Conditions is 'LPTR1'.

Executed on behalf of Scottish Equitable on the Date of Execution shown on the Policy Schedule.



Director
AEGON Corporate Business

Contents

Life Protection with Tax Relief	4
1. Definitions	4
2. Overriding Provision	4
3. Discretionary Powers	5
4. Payment of Premiums	5
5. Benefits	6
6. Options	7
7. Suicide Exclusion	8
8. Miscellaneous	8

→ Life Protection with Tax Relief

1. Definitions

In this Policy, unless the context sets out something different:

- words implying the masculine include the feminine, and vice versa;
- words in the singular include the plural, and vice versa;
- where a piece of legislation is referred to, the reference includes the legislation as amended or re-enacted, and it includes any regulations made under the legislation, and it includes any corresponding provisions in force in Northern Ireland;
- where the context allows, words and expressions used in the Scheme provisions and the Policy Schedule shall have the same meaning when used in these conditions;
- the following terms and expressions have the following meanings:

Benefit shall mean any of the main Benefits under the Policy that are described in condition 5.

Benefit Amount shall mean the Benefit Amount specified in the Policy Schedule as varied either pursuant to any of the following conditions or otherwise agreed by Scottish Equitable and the Policyholder.

Benefit End Date shall be the date, or dates, referred to on the Policy Schedule, on which the Policyholder will cease to be covered for the specified Benefit.

Civil Partnership shall mean a partnership which exists under or by virtue of the Civil Partnership Act 2004.

Index shall mean the 'Retail Prices Index' as defined in section 279 of the Finance Act 2004.

Insurer has the meaning set out in the Rules.

Lifetime Allowance shall mean an overall ceiling on the amount of tax privileged pension savings and life assurance benefit that any one individual can accommodate as set out in section 218 of the Finance Act 2004.

The exact figure will be whatever the standard lifetime allowance figure is for the tax year concerned or a multiple of that figure depending on certain circumstances applying.

Option shall mean each of the guaranteed insurability options under the Policy that are described in condition 6.

Policy shall mean and comprise:

- a Policy Schedule which refers to the Policyholder;
- these Policy Conditions (the code number of which is referred to in the Policy Schedule);

- any subsequent Policy Schedules issued after the first Policy Schedule which refer to the Policyholder and these Policy Conditions; and
- any endorsement to the Policy Conditions and/or to the Policy Schedule

Policyholder shall mean the life assured named in the Policy Schedule.

Policy Schedule shall mean the Policy Schedule issued herewith.

Policy Start Date shall mean the date when the contract started and is stated in the Policy Schedule.

Premium shall mean the Premium for this life protection with tax relief Benefit which is stated in the Policy Schedule.

Revenue shall mean HM Revenue and Customs.

Rules shall mean the Rules and other provisions of the Scheme and any amendment or modification thereof applicable at any time and from time to time.

Scheme shall mean the Scottish Equitable Personal Pension Scheme constituted by the Deed and Rules executed by Scottish Equitable Life Assurance Society on 31 May 1988 and any amendments thereto applicable at any time and from time to time.

Scheme Administrator shall have the meaning set out in the Rules.

Terminal Illness shall mean an advanced or rapidly progressing incurable illness where, in the opinion of an attending consultant and Scottish Equitable's chief medical officer, life expectancy is less than 12 months.

2. Overriding Provision

The conditions of the Policy, the Premiums payable under the Policy and the Benefits arising from the Policy are subject to being allowed under the provisions of the Scheme. No condition of the Policy, either expressly or by implication, shall override any provision of the Scheme unless the Policy Condition sets out expressly that it is to override a Scheme provision.

3. Discretionary Powers

- (a) The conditions of the Policy set out situations where Scottish Equitable has discretionary powers, but do not generally set out the limits, or all the limits, which apply when those powers are used.
- (b) The effect of this condition is to set out the general approach which Scottish Equitable will take for the powers set out below when exercising those powers under the Policy.
- (c) **Evidence of Health and Other Information**
 - (i) The provision of Benefits under the Policy depends on, among other things, Scottish Equitable receiving clear and material evidence and information (eg evidence of health of the Policyholder).
 - (ii) Scottish Equitable 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 and shall be consistent with the gathering of information which is material to a fair assessment by Scottish Equitable of the risk presented by the contingency on which any Benefits are to be payable, and bearing in mind the amount of any Benefit that may become payable.

(d) 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 in legislation or other law that may occur during the term of the Policy. Where there are any changes or new provisions, and these relate to these conditions, Scottish Equitable may amend, in good faith, these conditions to take account of those changes. The amendment may be made by Scottish Equitable without the consent of any party having a real or contingent right to Benefits under the Policy.

(e) Revenue Registration

- (i) The Policy has been taken out with a view to attracting tax relief given to pension arrangements registered by the Revenue.
- (ii) Scottish Equitable may exercise the amendment power in condition (iii) opposite to amend the conditions of the Policy to the extent reasonably needed to obtain or keep Revenue registration.

The amendment may be made by Scottish Equitable without the consent of any party having a real or contingent right to Benefits under the Policy.

(iii) If, during the term of the Policy, legislation (including delegated legislation and statutory instruments) or other circumstances make it impractical or impossible to give full effect to the Policy or if the basis of taxation applicable to Scottish Equitable is altered, Scottish Equitable may make such alterations to the Policy as Scottish Equitable deems appropriate in the circumstances.

(iv) One of the beneficial effects of Revenue registration is that the funds underlying the Policy may be referred by Scottish Equitable to pensions business (this is defined in section 431 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 Revenue registration as regards pensions business is removed, and the funds underlying the Policy have to be taken out of pensions business and dealt with elsewhere, then Scottish Equitable may exercise the amendment power in condition (iii) above to amend the conditions of the Policy, the Premium payable and the Benefits payable to take account of the switch out of pensions business.

The amendment may be made by Scottish Equitable without the consent of any party having a real or contingent right to Benefits under the Policy.

4. Payment of Premiums

(a) Deduction of tax

The Premium due under the Policy is shown in the Policy Schedule. The Premium the Policyholder will pay to Scottish Equitable will be the net amount after deduction of tax. Scottish Equitable will apply the Premium as if no deduction has been made. Scottish Equitable will then make a claim against the government for the amount of basic rate tax deducted from the Premium. Any amount recovered will be retained by Scottish Equitable for its own use.

If Scottish Equitable cannot recover any amount of the deduction, after having taken reasonable steps to make the recovery, then the Policy will cease immediately.

(b) Requirement to be a relevant UK individual

The Policyholder must be a relevant UK individual, as defined in the Rules, in the tax year in which the Premium or Premiums are paid before he is eligible to pay a Premium under the Policy.

In the event that the Policyholder ceases to be a relevant UK individual the Policy will cease immediately.

(c) **Premiums paid by an Insurer**
 Premiums may be paid by an Insurer who is a member of the AEGON UK plc group of companies under a policy or contract of insurance (eg a waiver policy) which provides cover where the Policyholder is unable to pay Premiums because of illness, incapacity, etc. The payments received will be treated as if they had been paid by the Policyholder such that, as far as is reasonable, the application of the payments to the Policy reflects the payment provisions in force immediately before payment from the policy or contract starts. This is subject to the proviso that, at the written request of the Policyholder, Scottish Equitable may agree to do something different.

(d) **Premium payment**
 Premiums shall be due and payable on the dates specified in the Policy Schedule. Premiums shall be paid by direct debit to an account with a bank approved by Scottish Equitable or otherwise as Scottish Equitable may, from time to time, require or agree to.

(e) **Days of grace**

- (i) 30 days of grace will be allowed for payment of any Premium due. If the Benefit Amount becomes payable within the days of grace and before payment of the Premium, the amount of such Premium will be deducted from the Benefit Amount payable.
- (ii) If any Premium is not paid within the days of grace, the Policy shall lapse.
- (iii) Scottish Equitable may, at its sole discretion, agree to reinstate a Policy that has lapsed subject to such additional terms and conditions that it may apply and to the payment of all outstanding Premiums.

5. Benefits
 The Policyholder will only be covered for such Benefits that he has applied for, that Scottish Equitable has accepted him for and where the Benefit is specifically included in the Policy Schedule issued in connection with these conditions.

Under no circumstances can the Benefit Amount be greater than the Lifetime Allowance in the tax year in which the Policyholder dies.

(a) **Level Life Protection with Tax Relief**

- (i) The Benefit Amount will become payable if the Policyholder dies prior to the Benefit End Date.
- (ii) In the event that the Policyholder is diagnosed as having a Terminal Illness, and where diagnosis is made at least one year before the Benefit End Date, the Policyholder may request that Scottish Equitable pay the Benefit Amount as a result of such a diagnosis. The payment of the Benefit Amount in such circumstances shall be at the sole discretion of the Scheme Administrator in terms of the Rules. Premiums shall continue to be payable while the request is being considered by the Scheme Administrator. In the event that the request is rejected by the Scheme Administrator, the Policy shall continue as if no request had been made.
- (iii) The Benefit Amount shall be paid on one occasion only and the Policy shall terminate immediately after payment is made.

(b) **Reducing Life Protection with Tax Relief**

- (i) The Benefit Amount will become payable if the Policyholder dies prior to the Benefit End Date.
- (ii) In the event that the Policyholder is diagnosed as having a Terminal Illness, and where diagnosis is made at least one year before the Benefit End Date, the Policyholder may request that Scottish Equitable pay the Benefit Amount as a result of such a diagnosis. The payment of the Benefit Amount in such circumstances shall be at the sole discretion of the Scheme Administrator in terms of the Rules. Premiums shall continue to be payable while the request is being considered by the Scheme Administrator. In the event that the request is rejected by the Scheme Administrator, the Policy shall continue as if no request had been made.
- (iii) The Benefit Amount shall be paid on one occasion only and the Policy shall terminate immediately after payment is made.
- (iv) The Benefit Amount, as at the Policy Start Date, will reduce on each anniversary of the Policy Start Date in line with the reduction in the notional outstanding capital balance on a notional mortgage as if the Benefit Amount, from time to time, is the capital sum outstanding under a capital and interest mortgage where the rate of interest to be charged, immediately prior to the anniversary of the Policy Start Date, is 10% per annum compound.
- (v) Scottish Equitable shall, on request by the Policyholder, confirm the actual Benefit Amount applicable from time to time.

(c) **Escalation of Benefit Amount (Indexation Option)**

- (i) Where the Policy Schedule indicates that the Benefit Amount will escalate, then the Benefit Amount specified in the Policy Schedule shall increase on the first anniversary of the Policy Start Date and on each following anniversary by the percentage increase in the Index for the period of 12 months ending three months prior to the end of the relevant anniversary of the Policy Start Date, subject to a maximum increase of 10% per annum.

- (ii) Where the Benefit Amount escalates in terms of (i) above the Premium will, at the same time, escalate by the same percentage increase as is applied to the Benefit Amount.
- (iii) If, for any reason, the Policyholder waives the application of the provisions of this condition to escalate the Benefit Amount at any time then, thereafter, these provisions shall not apply unless the Policyholder has made application to recommence and Scottish Equitable has accepted such application in writing after obtaining such financial information from the Policyholder and evidence of good health of the Policyholder as Scottish Equitable may require.

6. Options

When any of the following Options are exercised, the Premiums for the Benefit, to which the Option is being applied, will be increased to such a level as Scottish Equitable, based on normal actuarial principles deems appropriate in order to reflect the increase in the Benefit Amount.

When an Option is exercised by a Policyholder, Scottish Equitable shall retain the right to amend, vary or substitute these Policy Conditions with alternative conditions to reflect current terms and conditions available to new policyholders at the time of exercise of the Option.

- (a) The following Options will only be exercisable in the event that:
 - (i) the Policyholder has been accepted on standard terms; and
 - (ii) the Policyholder is no older than 55 on his next birthday at the date the increased Benefit starts; and
 - (iii) the Benefit End Date for the Benefit, in respect of which the Option is being exercised, is at least one year after the date on which the increase in the Benefit Amount is due to become effective
- (b) Subject to other provisions of condition 6, the Policyholder shall have the Option of increasing the Benefit Amount in respect of an existing Benefit (unless this Option has been excluded, as stated in the Policy Schedule), by application in writing to Scottish Equitable, within six months of the happening of any of the following relevant events:
 - (i) **Birth or legal adoption of a child**
This Option may be exercised on the birth or adoption of a dependent child as defined in the Rules. The Policyholder will be required to produce an extract copy of the birth or adoption certificate (from the Registrar of Births, Deaths and Marriages) of the child born or adopted before the increase in the Benefit Amount can be effected. A photocopy of the certificate is not acceptable.

(ii) Marriage or Civil Partnership

This Option may be exercised on the marriage or Civil Partnership of the Policyholder. The Policyholder will be required to produce an extract copy of the marriage or Civil Partnership certificate (from the Registrar of Births, Deaths and Marriages) of the Policyholder before the increase in the Benefit Amount can be effected. A photocopy of the certificate is not acceptable.

(iii) Change of Home, Home Improvement or Home Extension

This Option may be exercised in the event that the Policyholder increases his mortgage over his main residence as a result of either changing home, making home improvements or carrying out a home extension only.

The Policyholder will be required to produce written evidence from the Policyholder's lender and previous lender (if applicable), that is satisfactory to Scottish Equitable, which clearly shows the increase in the mortgage of the Policyholder before the increase in the Benefit Amount can be effected.

As a result of exercising this Option, the Benefit End Date for the additional Benefit Amount must be before the 70th birthday of the Policyholder.

(iv) Career change/Promotion

This Option may be exercised in the event that the Policyholder changes his employer, or is promoted by his existing employer, and as a direct result of such change in employer or promotion the Policyholder receives an increase of at least 10% per annum to his basic salary (ie salary before deduction of income tax and National Insurance contributions but excluding any other taxable benefits that may be payable and any employer contributions to any pension arrangements). The Benefit Amount may be increased by no more than four times the increase in basic salary.

The Policyholder will be required to produce written evidence from the employer and/or previous employer of the Policyholder, that is satisfactory to Scottish Equitable, which clearly shows the increase in the basic salary of the Policyholder before the increase in the Benefit Amount can be effected.

This Option cannot, under any circumstances, be exercised where at the time of exercise the Policyholder is self-employed, is a Controlling Director of the company in which he is employed or where the Policyholder has control over setting the rate of his basic salary.

- (c) The Options stated in (b) above may be exercised on more than one occasion but the total aggregate increase in the Benefit Amount as a result of exercising these Options, shall be restricted to the lowest of 50% of the Benefit Amount (excluding any part of the Benefit Amount that has arisen from the previous exercise of any Option) as at the date of receipt by Scottish Equitable of the application to exercise the Option, 50% of the Benefit Amount as at the Policy Start Date as escalated in terms of condition 5(c) above, if applicable, and £150,000.
- (d) Where an Option is exercised on more than one occasion, the percentage increases in Benefit Amount on each occasion shall be added together. When the combined percentages reach 50%, no further exercise of an Option is permitted.
- (e) The Benefit End Date for the new Benefit cannot be after the Benefit End Date of the original Benefit.
- (f) The Benefit Amount after the exercise of the Option cannot exceed the amount of the Lifetime Allowance in force on the date the application to exercise the Option is received by Scottish Equitable.
- (g) No evidence of the good health of the Policyholder shall be required when exercising an Option. Scottish Equitable reserves the right to obtain from the Policyholder, prior to the exercise of the Option becoming effective, such evidence as to the residency, occupation, smoking activity and leisure pursuits of the Policyholder as Scottish Equitable deems necessary in order to calculate the additional Premium required in relation to the exercise of the Option.

7. Suicide Exclusion

- (a) Scottish Equitable will not pay a claim in the event that the Policyholder has died as a result of their own actions (whether or not at the time of such action they were sane or insane) within 12 months of the Policy Start Date or the date the Benefit Amount for a particular Benefit is increased.
- (b) This exclusion shall not apply, to the extent of the amount required to redeem the loan, where the Policy is deposited with a lender in security of a loan or where a lender is able to provide to Scottish Equitable evidence that it was a pre-condition of a loan being granted that the Policy be taken out, which Policy would provide sufficient funds to enable the loan to be repaid in the event of the death of the Policyholder during the term of the loan.

8. Miscellaneous

(a) Notices and Claims

Scottish Equitable will not be required to accept or act upon any claim under the Policy, request or instruction validly made under these conditions until it has received at its office at Ballam Road, Lytham St Annes, Lancashire FY8 4JZ or at its Registered Office from time to time, written notification thereof and any documents and information which Scottish Equitable may require.

(b) Information Powers

The Revenue has powers under the Finance Act 2004 to require information to be given to it concerning some or all aspects or parts of the Scheme (eg annuities secured or investments made). The Policyholder agrees as a condition of the Policy that he will make all reasonable endeavours to enable the required information to be given timeously and in a manner acceptable to the Revenue. To the extent that any fine or charge is made on the Scheme Administrator, as defined in the Rules, as the result of non-compliance with these powers and results from the breach of the Policyholder's agreement above, the Scheme Administrator may recover the amount of fine or charge from the Policyholder.

(c) Agreement of Scottish Equitable

Where under these conditions, the agreement, consent or approval of Scottish Equitable is required, such agreement, consent or approval shall not be deemed given unless and until same is confirmed in writing by Scottish Equitable.

(d) Law and Jurisdiction

- (i) Every assurance effected with Scottish Equitable by any person described in the Policy evidencing the same as of any place in the United Kingdom shall be deemed to have been effected in that part of the United Kingdom with an Insurer having its domicile and head office there, notwithstanding that it may appear on the face of the policy that the assurance was not in fact effected in that part of the United Kingdom, and in regard to every such assurance and all matters connected therewith Scottish Equitable shall be subject to the jurisdiction of the courts of law in the part of the United Kingdom in which it is deemed to have been effected.
- (ii) Any assurance effected with Scottish Equitable which does not fall within the preceding sub-paragraph (i) shall be governed by the Law of Scotland and the Policyholder and Scottish Equitable shall submit to the non-exclusive jurisdiction of the Scottish courts.

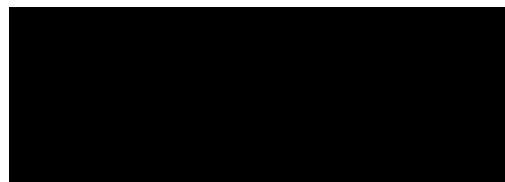
→ Introduction

The Policy Schedule issued along with and referring to this Booklet, together with the following Policy Conditions and subsequent Endorsements which are executed by Scottish Equitable, constitutes a Contract of Assurance between Scottish Equitable plc ('Scottish Equitable') and the Policyholder specified in the Policy Schedule and is based on the Application made to Scottish Equitable by the Policyholder and the acceptance of that Application.

Scottish Equitable will in respect of the Policy pay the Insured Benefit provided by the Policy in accordance with the following Policy Conditions.

Before paying the Insured Benefit Scottish Equitable will require to be satisfied of:

1. the occurrence of the event or contingency on which the Insured Benefit is to become payable;
2. the title of the person(s) claiming the Insured Benefit; and
3. the age of the Policyholder named on the Policy Schedule Executed on behalf of Scottish Equitable on the Date of Execution shown on the Policy Schedule.



Director
AEGON Corporate Business

Contents

Waiver of Premium Policy Conditions	11
1. Definitions	11
2. Overriding Provision	12
3. Evidence of Health and Other Information	13
4. Long-term Business	13
5. Premiums	13
6 Insured Benefit	13
7. Exclusions	14
8. Residency	14
9. Special Circumstances	15
10. Miscellaneous	15

→ Waiver of Premium Benefit Policy Conditions

Where it is shown on the Policy Schedule that Waiver of Premium Benefit applies then the following conditions in respect of Waiver of Premium Benefit shall apply.

1. Definitions

In this Policy, unless the context sets out something different:

- words implying the masculine include the feminine, and vice versa;
- words in the singular include the plural, and vice versa;
- where a piece of legislation is referred to, the reference includes the legislation as amended or re-enacted, and it includes any regulations made under the legislation, and it includes any corresponding provisions in force in Northern Ireland;
- where the context allows, words and expressions used in the Scheme provisions and the Policy Schedule shall have the same meaning when used in these Conditions;
- the following terms and expressions have the following meanings:

Benefit Amount shall mean the waiver of premium Benefit Amount specified in the Policy Schedule as varied either pursuant to any of the following conditions or otherwise agreed by Scottish Equitable and the Policyholder.

Benefit End Date shall be the date or dates, referred to on the Policy Schedule, on which the Policyholder will cease to be covered.

Benefit Period shall mean a continuous period of Incapacity of the Policyholder commencing at any time after the Policy Start Date and ending no later than the relevant Benefit End Date but excluding:

- any Deferred Period or part of any Deferred Period; and
- any period of Incapacity after the earlier of:
 - the Termination Date; and
 - the anniversary of the Policy Start Date that occurs before the 65th birthday of the Policyholder

Benefit Start Date shall mean the date the Insured Benefit started.

Deferred Period shall mean the first 26 weeks of any continuous period of Incapacity.

Incapacity shall mean (and the term **Incapacitated** shall have an equivalent meaning), in respect of the Policyholder, one of the following definitions as selected by the Policyholder and stated on the Policy Schedule:

Own Occupation shall mean that the Policyholder has been unable to do the material and substantial duties of their own occupation as a result of accident or sickness and is not following any other occupation. Material and substantial duties are those duties that are normally required for the performance of the Policyholder's own occupation and cannot reasonably be omitted or modified by them or their employer.

Any Suited Occupation shall mean that the Policyholder is unable to do their own occupation and unable to do all other occupations to which they are reasonably suited by education, training or experience as a result of accident or sickness.

Activities of Daily Work shall mean that the Policyholder will be deemed to be incapacitated if they are unable to perform three or more of the following criteria, or if they satisfy either the Mental Incapacity or Mental Ill-health definitions:

Walking – the ability to walk a distance of 200 metres on a level surface without stopping due to breathlessness, angina or severe discomfort, and without the assistance of another person but including the use of appropriate aids, eg a walking stick.

Climbing – the ability to walk up and down a flight of 12 stairs with the use of a handrail and taking a rest.

Bending – the ability to get into or out of a standard saloon car, or the ability to bend or kneel to pick up a teacup (or similar object) from the floor and straighten up again without the assistance of another person but including the use of appropriate aids.

Communicating – the ability to:

- clearly hear (with a hearing aid or other aid if normally used) conversational speech in a quiet room; or
- understand simple messages; or
- speak with sufficient clarity to be clearly understood

Reading – having eyesight, even after correction by spectacles or contact lenses, sufficient to read a standard daily newspaper or to pass the standard eyesight test for driving. Failure for this activity would include being certified blind or partially sighted by a registered ophthalmologist.

Dexterity – the physical ability to use hands and fingers, such as being able to communicate effectively using a pen, pencil or keyboard.

Responsibility and independence – the ability to independently make arrangements to see a doctor and take regular medication as prescribed by a medical practitioner, or similarly qualified medical doctor.

Financial competence – the ability to recognise the transactional value of money and the handling of routine financial transactions such as paying bills or checking change when shopping.

Mental Incapacity shall be defined as:

Organic brain disease or brain injury (confirmed by neurological investigation) which has affected the ability of the Policyholder to reason and understand and has caused deterioration to an extent that they can no longer look after themselves without the need for continual supervision and assistance of another person.

Mental Ill-health shall be defined as:

Severe Mental Illness Classification ICD-10 Code. To qualify, the Policyholder will be required to be under the supervision of the mental health team Care Programme Approach (CPA) at its highest level (with or without Supervision Register) or equivalent.

In the event that the Policyholder in respect of whom Insured Benefit is being claimed is not in paid employment (including self-employment where regular drawings are being taken) at the start of a Benefit Period then the definition of Incapacity for the purposes of this condition shall be deemed to be the Activities of Daily Work definition.

Insured Benefit shall mean the Benefit Amount specified in the Policy Schedule.

LPTR Policy shall mean the Life Protection with Tax Relief policy taken out with Scottish Equitable by the Policyholder (if there is any confusion as to which policy is the relevant life protection with tax relief policy, Scottish Equitable shall identify the policies that apply for this Waiver of Premium Benefit Policy in writing.)

LPTR Premium shall mean the amount of any LPTR Premium paid under the LPTR Policy.

Permitted Contributions shall mean the contributions or payments which may be paid in terms of the Rules.

Policy shall mean and comprise:

- (i) a Policy Schedule which refers to the Policyholder;
- (ii) these Policy conditions; and
- (iii) any endorsement to the Policy conditions and/or to the Policy Schedule

Policyholder shall mean the Life Assured named in the Policy Schedule.

Policy Schedule shall mean the Policy Schedule issued herewith.

Policy Start Date shall mean the date when the Policy started.

Policy Year shall mean a year commencing on, or on an anniversary of, the Policy Start Date.

Premium shall mean the Premium which is stated on the Policy Schedule.

Rules shall mean the Rules and any other provisions of the Scheme and any amendment or modification thereof applicable at any time and from time to time.

Scheme means the Scottish Equitable Personal Pension Scheme constituted by Deed and Rules executed by Scottish Equitable Life Assurance Society on 31 May 1988 and any amendments thereto applicable at any time and from time to time.

Termination date means the earlier of the Benefit End Date or the date the Premiums to the LPTR policy or this Policy cease.

2. Overriding Provision

- (a) Where the Policy provides for payment of Insured Benefits to the LPTR Policy, then the conditions of this Policy are subject to the provisions for receipt of that payment under the Scheme. No condition of the Policy either expressly or by implication shall override any condition of the Scheme unless the Policy condition sets out expressly that it is to override a Scheme condition.
- (b) One effect of (a) above is that the whole or part of an amount of Insured Benefit may not be payable (eg when Insured Benefit is in excess of the relievable pension contribution as defined in section 188 of the Finance Act 2004 in the fiscal year in which the Insured Benefit is paid). Where this happens, then the Insured Benefit payable under this Policy is restricted to what may be received under the Scheme.

3. Evidence of Health and Other Information

- (a) The provision of Insured Benefit under the Policy depends on, among other things, Scottish Equitable getting clear and material evidence and information (eg evidence of health of the Policyholder).

- (b) Scottish Equitable 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 and shall be consistent with the gathering of information which is material to a fair assessment by Scottish Equitable of the risk presented by the contingency on which any Insured Benefit is to be payable and bearing in mind the amount of any Insured Benefit that may become payable.
- (c) All evidence of Incapacity, or other evidence as Scottish Equitable may require in terms of this provision, shall be produced free of expense to the Policyholder.

4. 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 in legislation or other law that may occur during the term of the Policy. Where there are any changes or new provisions, and these relate to these conditions, Scottish Equitable may amend, in good faith, these conditions to take account of those changes. The amendment may be made by Scottish Equitable without the consent of any party having a real or contingent right to Insured Benefit under the Policy.

5. Premiums

Premiums shall be due and payable on the dates specified in the Policy Schedule. Premiums shall be paid by direct debit to an account with a bank approved by Scottish Equitable or otherwise as Scottish Equitable may, from time to time, require or agree to.

Days of Grace

- (a) 30 days of grace will be allowed for payment of any Premium due. If the Insured Benefit becomes payable within the days of grace and before payment of the Premium, the amount of such Premium will be required to be paid by the Policyholder before the Insured Benefit will commence being paid.
- (b) If any Premium is not paid within the days of grace, the Policy shall lapse.
- (c) Scottish Equitable may, at its sole discretion, agree to reinstate a Policy that has lapsed subject to such additional terms and conditions that it may apply and to the payment of all outstanding Premiums.

6. Insured Benefit

- (a) This condition applies, while the provisions of this condition are met, and applies only in respect of LPTR Premiums payable to the LPTR Policy.
 - (i) During any Benefit Period all monthly LPTR Premiums due for payment under the LPTR Policy applicable to the Policyholder and that the Insured Benefit is being claimed for, shall be provided and credited as paid by Scottish Equitable
 - (ii) Where LPTR Premiums are payable annually, one twelfth of the amount of each annual LPTR Premium shall be provided and credited as paid by Scottish Equitable on the first day of each calendar month during the Benefit Period.
 - (iii) When an annual LPTR Premium falls due during a Benefit Period, the Policyholder may withhold payment of the LPTR Premium on the due date but will pay, at the end of the Benefit Period, the amount, if any, by which the annual Premiums due during the said Benefit Period exceeds or exceed the aggregate amount so provided by Scottish Equitable during such Benefit Period.
 - (iv) Where no annual LPTR Premium falls due during a Benefit Period (or the sums provided by Scottish Equitable, as aforesaid exceed the annual LPTR Premium or Premiums falling due) the sums so provided (or such excess if applicable) shall be deducted from the annual LPTR Premium next due after termination of the Benefit Period.
- (b) All conditions of the Policy shall continue during any Benefit Period except where otherwise stated to the contrary.
- (c) Where there is a recurrence of Incapacity from the same or related cause, it shall be deemed to be a continuation of the Incapacity and no Deferred Period shall be applicable thereto unless an intervening period of six months has elapsed.
- (d) Insured Benefit shall not be provided in respect of any period occurring before Scottish Equitable received written intimation of the claim and evidence, satisfactory to Scottish Equitable, of Incapacity.
- (e) Scottish Equitable shall be entitled to seek and obtain evidence of Incapacity and any other evidence as Scottish Equitable may require from time to time for the purpose hereof and without prejudice to the foregoing generality, the following provisions shall apply:
 - (i) Written evidence of Incapacity and such other evidence as Scottish Equitable may require shall be provided not later than one month after the end of the Deferred Period;

- (ii) If entitled to payment of Insured Benefit, the Policyholder shall submit reports relating to the Incapacity of the Life Assured in a form prescribed by Scottish Equitable at such intervals as Scottish Equitable may reasonably decide and shall submit himself from time to time to medical examination by a medical officer appointed by Scottish Equitable. Where appropriate Scottish Equitable will arrange a specialist or home visit by a medical or health professional relevant to the Policyholder's condition.
- (iii) The Policyholder will not be entitled to any Insured Benefit hereunder if the Policyholder fails to seek or follow the advice of his Personal Medical Attendant or Consultant.
- (iv) All evidence of Incapacity or other evidence as Scottish Equitable may require in terms of this provision shall be produced free of expense to the Policyholder.
- (f) At any time after the Insured Benefit becomes payable, in the event that the Policyholder travels or lives temporarily outwith the United Kingdom, the Channel Islands or the Isle of Man for a period exceeding 13 weeks then the Insured Benefit will be immediately cease to be payable.

7. Exclusions

Scottish Equitable will not pay a claim in the event that the Incapacity in respect of which the Insured Benefit is being claimed is caused directly or indirectly from either of the following:

Drug Abuse being alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner.

War and Civil Commotion being war, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

HIV and AIDS Exclusions

- (a) No Insured Benefit will be payable if the Incapacity, in respect of which the claim is made, is caused directly or indirectly from infection with Human Immuno-deficiency Virus (HIV) or conditions due to any Acquired Immune Deficiency Syndrome (AIDS).
- (b) The exclusion in (a) above will not apply in the event that infection was caused by one of the following:

(i) Physical Assault

Where the Policyholder is the victim of a physical assault involving involuntary contact with either a hypodermic needle or an infected sharp instrument or sexual assault (without consent). The following conditions will apply for this exemption to the above exclusion to apply:

- The incident of physical assault must have taken place in the UK, Channel Islands or Isle of Man, following the Policy Start Date.
- The incident must be reported to a UK, Channel Islands or Isle of Man Police Station within five days of it taking place.
- A test showing no HIV or HIV antibodies must be made within five days of the incident.
- A second test showing infection by HIV or AIDS must be made within 12 months of the incident.

(ii) Blood Transfusion

Where the Policyholder is infected with HIV or AIDS and has contracted the infection from a blood transfusion in the UK, Channel Islands or Isle of Man after the Policy Start Date.

(iii) Occupation

Where the Policyholder contracts the HIV or AIDS infection during the normal course of their duties of any occupation which provides accident and emergency, medical, dental or nursing services to the general public, armed forces, police force or prison services. The infection must have resulted from contact with an infected person or medical instrument in the UK after the Policy Start Date. The infection must be reported, investigated and documented according to the relevant notification requirements relating to the particular occupation.

8. Residency

- (a) The Policyholder will only remain covered while he is a permanent resident of either the United Kingdom, the Channel Islands or the Isle of Man.
- (b) In the event that the Policyholder travels or lives temporarily outwith the United Kingdom, the Channel Islands or the Isle of Man for a period exceeding 13 weeks during any 12-month period then cover for the Insured Benefits stated in (a) above will be excluded.

- (c) The 13-week period stated in (b) above will be extended to 26 weeks during any 12-month period where the Policyholder is travelling within or is living temporarily in any one or more of the following countries: Andorra, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Liechtenstein, Luxembourg, Monaco, the Netherlands, New Zealand, Norway, Portugal, the Republic of Ireland, San Marino, Spain, Sweden, Switzerland, Turkey, the United States of America and the Vatican City State.
- (d) On written application by the Policyholder to Scottish Equitable the periods stated in (b) and (c) above may, at Scottish Equitable's sole discretion, be extended by such additional period as Scottish Equitable deems appropriate and subject to such additional terms and conditions as Scottish Equitable may require at the time.

9. Special Circumstances

If, during the term of the Policy, legislation (including delegated legislation and statutory instruments) or other circumstances make it impractical or impossible to give full effect to the Policy or if the basis of taxation applicable to Scottish Equitable is altered, Scottish Equitable may make such alterations to the Policy as Scottish Equitable deems appropriate in the circumstances.

10. Miscellaneous

(a) Notices and Claims

Scottish Equitable will not be required to accept or act upon any claim under the Policy, request or instruction validly made under these conditions until it has received at its office at Ballam Road, Lytham St Annes, Lancashire FY8 4JZ or at its Registered Office from time to time, written notification thereof and any documents and information which Scottish Equitable may require.

(b) Agreement of Scottish Equitable

Where under these conditions, the agreement, consent or approval of Scottish Equitable is required, such agreement, consent or approval shall not be deemed given unless and until the same is confirmed in writing by Scottish Equitable.

(c) Law and Jurisdiction

- (i) Every assurance effected with Scottish Equitable by any person described in the Policy evidencing the same as of any place in the United Kingdom shall be deemed to have been effected in that part of the United Kingdom with an insurance company having its domicile and head office there, notwithstanding that it may appear on the face of the policy that the assurance was not in fact effected in that part of the United Kingdom, and in regard to every such assurance and all matters connected therewith Scottish Equitable shall be subject to the jurisdiction of the courts of law in the part of the United Kingdom in which it is deemed to have been effected.
- (ii) Any assurance effected with Scottish Equitable which does not fall within the preceding sub-paragraph (i) shall be governed by the Law of Scotland and the Policyholder and Scottish Equitable shall submit to the non-exclusive jurisdiction of the Scottish courts.



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