

IMPORTANT INFORMATION

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Investor's Guide

Terms and Conditions

Legal & General (Portfolio Management Services) Limited
Registered in England number: 2457525
Registered office: One Coleman Street, London, EC2R 5AA
www.legalandgeneral.com

Authorised and regulated by the Financial Services Authority

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Terms and Conditions

Terms and Conditions for the Legal & General Investment Account (Unit Trust) and Individual Savings Account.

1. Definitions

(a) “**Account**” means your Investment Account and/or your ISA, as selected on your Application, covered by these Terms and Conditions.

(b) “**Account Manager**”, “**we**” or “**us**” or “**our**” means Legal & General (Portfolio Management Services) Limited.

(c) “**Accumulation Unit**” is a Unit where any income earned by the Unit Trust, net of tax, is kept in the Unit rather than paid out as a distribution. This means the capital value of the Unit increases.

(d) “**Application**” means the printed application form, provided by us, which you completed and signed. It also covers any non-written application, accepted at our discretion, which provides the same information, declarations and authority as the printed form.

(e) “**Client Money Account**” means a current or deposit account at a bank that is in our name, but includes in its title an appropriate description to indicate that it holds only clients’ money in accordance with our regulatory responsibility and is used to hold the money of one or more clients.

(f) “**Conditions**” means these Terms and Conditions.

(g) “**Dealing Day**” means any business day or the next possible business day.

(h) “**Direct Debit Dealing Day**” means, if you are paying monthly by direct debit, the business day on which we request your direct debit Payment. This is usually the day of the month selected on the Application, or if this is not a business day, the next business day.

(i) “**Distribution Unit**” (sometimes known as income unit) is where any income earned by the Unit Trust, net of tax, is paid to unitholders as a distribution. You can find the distribution dates in Appendix A.

(j) “**HMRC**” means Her Majesty’s Revenue & Customs. They are responsible for collecting taxes.

(k) “**Investment Account**” means the part of your Account that is not an ISA.

(l) “**ISA**” means a stocks and shares Individual Savings Account as defined by HMRC and includes Personal Equity Plans that became stocks and shares ISAs on 6 April 2008. Each tax year’s ISA is a separate account.

(m) “**Nominee**” is a company whose business is looking after the ownership of investments on behalf of someone else, or carrying out tasks related to that.

(n) “**Payments**” means any lump sum or regular payment made to the Account. For an ISA transfer, this includes the Transfer Value.

(o) “**Phased Cash Account(s)**” means the Client Money Account where any Payment is held before being invested in Unit Trust(s) under the Phased Investment Option.

(p) “**Phased Dealing Day**” means three business days before the “Phased Reference Day”.

(q) “**Phased Investment Option**” means an option where a lump sum is invested in Units over a period of 12 months. This option is only available for new ISA investments into some of the Unit Trusts listed in Appendix A.

(r) “**Phased Reference Day**” means the 17th of each month, or if this is not a business day the previous business day.

(s) “**Regulations**” means “The Individual Savings Account Regulations 1998” as amended from time to time.

(t) “**Transfer Value**” means the value of an ISA transferred to us from another account manager.

(u) “**Unit**” means a unit of a Unit Trust, and can be either a Distribution or Accumulation Unit. (You can find the types of Unit available in Appendix A.)

(v) “**Unit Class(es)**” means the category or categories of Unit offered by the Unit Trust. Different Unit Classes allow flexibility in the administration of the Unit Trust, for example, by allowing the manager to set investment limits and charges. The Unit Trust name identifies the relevant Unit Class.

(w) “**Unit Trust(s)**” means one or more of the authorised Unit Trusts offered by us as an investment in relation to your Account.

(x) “**Valuation Point**” means the point in time on each business day at which the Unit Trust is valued and a price calculated. You can find the relevant times in Appendix A.

(y) “**Written**” or “**in Writing**” means an instruction that you have signed.

(z) “**you**” or “**your**” means the Account holder(s), who has/have applied to open an Account under these Conditions. For an Investment Account this includes any company or other corporate body, a trust and the trustees. These Conditions are governed by English law and govern your Application and your Account once your Account is accepted. If there are any differences between the Regulations and the Conditions, the Regulations apply. These Conditions are in addition to any conditions relating to other investment accounts you may have with us.

2. Acceptance

An Account will be opened in your name once we have received, at the address given in Clause 26, both an acceptable Application and a Payment.

An Application will not be acceptable if, in our reasonable opinion:

(a) you are not eligible to hold an Account;

(b) the Application is incomplete, or needs clarification.

If your Application for an ISA does not include your National Insurance number, date of birth, full name, address and/or postcode, it will be accepted subject to you providing the missing information within 30 days of us notifying you to provide us with the missing information.

If, 30 days after acceptance, we are still waiting to receive any information, which we reasonably require to verify your identity, we will close the Account. As a result the Units will be repurchased within 14 days of the expiry of the 30 day period and you will receive the market value

on the date of repurchase. Your annual ISA entitlement relating to any ISA contribution, will be lost. Payments will normally be returned to the original source of the contribution.

Where you make an Application for an ISA other than in Writing, we will send you a written declaration confirming all the details you provided in the Application. You will have 30 days from the date this is sent to you to tell us of any corrections. Any revised declaration will take effect from the date of the original declaration we sent to you. If a revised declaration is received after the 30 day period, that revised declaration will only take effect from the date it is received by us at the address in Clause 26. Faxed or email Applications will not be accepted unless we agree to do so in advance. The minimum allowable Payment into an Account is detailed on our current Application form.

If any Payment into the Account has not cleared within 14 days of the original instruction, we reserve the right to cancel any Unit deals relating to that Payment. If it is the first Payment into the Account then we reserve the right to close the Account.

We reserve the right to reject an Application and, in particular, may do so if the Application does not use the current Application form. You will ensure that the information you provide to us is accurate and we are entitled to rely on the accuracy of information contained in your Application.

3. Cancellation rights

A cancellation notice will be sent to you by post when we receive your Application together with a Direct Debit Instruction and for each lump sum cash Payment. A cancellation notice will be sent to you for ISA transfers when we receive the Transfer Value from the other manager. You have 14 days from the day you receive the cancellation notice to reconsider and, if you wish, to withdraw from the transaction. This is done by returning your completed cancellation notice form to us at the address in Clause 26 by the end of the 14 day period.

If you exercise your right to cancel you may not get a full refund of your original investment if the value of Units being cancelled has fallen by the day we receive the notice. This is because an amount equal to that fall in value is deducted from the refund.

If you exercise the right to cancel a transfer, you will permanently lose your ISA allowance relating to that transfer.

Payments for a cancellation will be made once we are certain of cleared funds in respect of your investment (banks and building societies may take up to 21 working days to fully honour any Payment). Any cancellation payments will be returned to the original source of the Payment except in exceptional circumstances.

Cancellation rights do not apply for any Units you sell as part of a switch or withdrawal.

4. How payments are invested

We bank all Payments into a Client Money Account no later than the business day after they are received. This Client Money Account, which is in our name, will be held with Royal Bank of Scotland plc (or such other bank or authorised institution as we may nominate from time to time). You will not be entitled to any interest earned unless we tell you otherwise.

We do not accept liability for the default by any bank or authorised institution that holds cash under these Conditions.

We will return, without interest, any part of a Payment received for an ISA that is in excess of the limits allowed by the Regulations. This payment will be made once we are certain of cleared funds in respect of your Payment.

Where the Payment to an ISA exceeds the ISA limits by over £1000, we reserve the right to reject the whole Payment and return it to you.

We expect the manner in which you invest in the Unit Trusts to reflect their objective of generating steady return over the medium to long term (typically five years or more). If, in our reasonable opinion, your trading activity represents a threat to the value of the Unit Trusts, for example over frequent trading, we may exercise our discretion to refuse to buy Units on your behalf.

Where we receive your Application together with a lump sum Payment, the Payment less any charges described in Clause 9 will be invested in Units of the selected Unit Trust(s) (except for Phased Investment Option Payments) at the price calculated at the next Valuation Point. Your Payment will be invested in Accumulation Units or Distribution Units as selected on your Application.

Where we receive a lump sum Payment and you have not specified a Unit Trust(s), Units will be bought in the Unit Trust(s) in which you most recently invested a lump sum Payment in the same proportions as that investment.

If you select the Phased Investment Option, your Payments will be invested in the Phased Cash Account awaiting investment into your selected Unit Trust(s). We will invest one 12th of the lump sum in Units of the selected Unit Trust(s) on the Phased Dealing Day. The first Phased Dealing Day for any investment is the one after the first Phased Reference Day occurring not less than 17 business days after receipt of the Payment. Any interest that has been earned over the 12 months will be invested along with the final one 12th invested. The Phased Cash Account interest rate can vary daily. The interest earned will be subject to a flat rate charge by HMRC, currently 20%. If you wish to invest the remaining cash before the end of the 12 month period you can send us a Written request, or a request by any other method deemed acceptable by us. We will then invest your remaining money at the next Valuation Point.

For the Phased Investment Option, unless you tell us otherwise, we will invest any top-up over the following 12 months.

Monthly Payments are only collected by direct debit. The Payments, less any charges described in Clause 9, will be invested at the Valuation Point on each Direct Debit Dealing Day. After we have accepted your Application and have received any information we reasonably require to verify your identity, the first direct debit will be collected on the first Direct Debit Dealing Day after a period of 14 days. This means no collection will take place until all outstanding identification requirements are met. A new Direct Debit Instruction will be required if the first monthly contribution will occur more than 90 days after the Account was accepted.

Monthly Payments will be invested in Accumulation Units, where these are offered at the time of acceptance. Otherwise, these Payments will be invested in

Distribution Units and any income will be reinvested in accordance with Clause 8. If you wish to cancel your direct debit, we must receive Written instructions, or instructions by any other method deemed acceptable by us, at least five business days before the collection date. Any increase in monthly Payments will be collected on the same day as the existing direct debit. If you do not specify any Unit Trust(s), we will spread any increase across each Unit Trust you currently regularly invest in and in the same proportions.

If, after a transfer, any further Payments of £25 or more are received from your previous manager, Units will be bought at the next Valuation Point in the same Unit Trust(s) in the same proportions as were purchased following the original transfer. Smaller payments will be returned to your previous manager to be reissued in your name.

Where a Unit Trust has more than one Unit Class, your Payment will be invested in the Unit Class selected on your Application. Details of the Unit Class allocated to you for fund switches are given in Clause 10.

5. Ownership of assets and dealing policy

All Units relating to your Account will be registered in our name or that of any Nominee we may appoint, along with those of other investors who have an Account. However, you will beneficially own those Units with your name recorded on our sub-register.

Your investment or cash may be held by a third party. We are not responsible for the acts or omissions of the third party. However, you may be entitled to compensation under the Financial Services Compensation Scheme in the event of insolvency of the third party.

For any ISA, you agree not to charge, pledge or otherwise use the Units as security for any loan or other obligation and to remain their sole beneficial owner. We, or any Nominee we may appoint, will hold any Unit ownership documents.

When buying or selling Units on your behalf, we will only buy Units from or sell Units to Legal & General (Unit Trust Managers) Limited (one of our associated companies) at the relevant Valuation Point as detailed in these Conditions.

6. Conflicts of interest

During your investment conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. To ensure we treat investors consistently and fairly, we are required to have a policy on how to identify and manage these conflicts. A summary of our policy is detailed below. A copy of the full policy is available on request from the address in Clause 26.

We:

- (a) will consider the interests of all of our customers and treat them fairly;
- (b) will manage conflicts of interest fairly to ensure that all customers are treated consistently and to prevent any conflict of interest from giving rise to a material risk of damage to the interests of our customers;
- (c) have in place procedures to ensure that staff identify and report any new conflicts;
- (d) will keep a written record of any conflicts or potential conflicts;

(e) if appropriate, will disclose any relevant conflict to a customer before undertaking business with that customer;

(f) will carry out an annual review to identify any new conflicts; and

(g) will ensure new business developments identify any new conflicts of interest.

This policy applies to any company to whom we delegate any of our functions.

7. Information provided

Every six months, we will send you a statement showing all the transactions on your Account since the last statement. This will include any reclaimed tax credits and a valuation of your Account, that is, what you would have received if you had sold all your Units on the statement date (not allowing for any withdrawal fees).

This statement will not include any performance information on any particular Unit Trust. You are advised to keep your statement as proof of the Unit Trusts you are invested in. It will also confirm in whose name the ownership of Units is registered on your behalf. Details of the exact statement dates are available from us on request. We will send you a contract note after each lump sum Unit purchase, which will show the date of the purchase, the execution venue (which will always be Legal & General (Unit Trust Managers) Limited as noted above) and the time of the transaction. Information about each Unit purchase for regular Payments or Phased Investment Option investments will be shown on your six monthly statements.

For any Units held in an Investment Account, you will be:

- (a) sent the latest shortform Manager's Report(s) for the Unit Trust(s) in which you hold Units;
- (b) able to exercise the rights of a unitholder to attend meetings;
- (c) able to exercise voting rights through the Account Manager at such meetings; and
- (d) be sent any other information generally issued to unitholders.

You can also request the full Manager's Report. These benefits are also available on request for Units held in your ISA.

8. Income

Reinvesting income

If you have asked to have income reinvested, you will be allocated Accumulation Units, where they are available at the time of the investment. Any reclaimed tax credit for ISAs that is received by us will be used to buy further Units in the Unit Trust on your behalf by the following business day.

If Accumulation Units are not available, you will be allocated Distribution Units. Any income will be used to buy further Units in the Unit Trust on your behalf no later than the business day following the pay date. Any reclaimed tax credit for ISAs that is received by us will be used to buy further Units in the Unit Trust on your behalf by the following business day.

All regular Payments will be invested on the basis that income is to be reinvested.

If you are receiving income from a Unit Trust, you can, at a later date, request in Writing to have future income reinvested. Where Accumulation Units are available, this will involve a conversion from Distribution Units

to Accumulation Units. If you make this request after a distribution is due from the Unit Trust (the ex-dividend date) but before the income is paid out, this last income payment will be paid to you rather than being invested in Accumulation Units.

Income paid out

You can, for lump sum Payments into a Unit Trust offering Distribution Units, choose to receive the income from your Account. Where you have made this choice, your Payments will be invested in Distribution Units.

Any income will be paid by the distribution date, into the bank or building society account notified to us on your Application or such other account held by you that you inform us about in Writing. If there is any reclaimable tax credit, we will add this amount to any income payment. As we are paying you this tax credit before we receive it from HMRC, you authorise us to reclaim this tax from HMRC and to reimburse ourselves when it is received.

If you have not requested to receive income, you can, at a later date, request in Writing to have income paid to you. You can only make this request for Units to the value of at least £500. Where you currently invest in Accumulation Units, this will involve a conversion to Distribution Units. You will only receive income from a Unit Trust for any distribution accounting period starting after the date of the conversion.

When a Unit is bought, there is some income already included in the price. The first distribution paid after a Unit purchase allows for this by splitting the distribution between income and an equalisation amount. This equalisation amount is treated as a return of capital for tax purposes and will not generate a tax credit.

Please note that any income payments remaining unclaimed six months after their distribution date will be reinvested in Accumulation Units, where available, and existing Distribution Units will be converted to Accumulation Units. Where Accumulation Units are not available, this income payment and all future income payments will be reinvested into Distribution Units. Where we are unable to establish your current address we may also reinvest your income as outlined above.

Appendix A shows the ex-dividend dates and income payment dates for all Unit Trusts.

9. Charges

Charges in connection with the Account are as follows:

(a) Appendix A details where an initial charge is made by Legal & General (Unit Trust Managers) Limited (one of our associated companies). This charge will apply to lump sum and monthly contributions.

An initial charge may only be introduced or increased after at least 60 days' notice being given to all investors subscribing monthly to, or have outstanding investment under the Phased Investment Option into, the relevant Unit Trust, or following a resolution being accepted at a meeting of unitholders.

(b) Legal & General (Unit Trust Managers) Limited, as manager of the Unit Trusts, takes an annual management charge payable out of the assets of the Unit Trusts. This charge accrues daily and is paid monthly to the manager. The charges for each Unit Trust are shown in Appendix A. The annual management charge may only be increased after at least 60 days' notice has been given to all investors holding Units in the relevant Unit Trust or following a resolution accepted at a meeting of unitholders.

(c) There are no withdrawal fees after five years.

However, for a partial or full encashment of an Account before the expiry of the five year period, we may charge a withdrawal fee for some Unit Classes of some Unit Trusts. Appendix A gives details of withdrawal fees.

For partial withdrawals from Unit Trusts with withdrawal fees, unless you tell us otherwise, the earliest purchased Units will be sold first. Where you have investments in more than one Unit Class, unless you tell us otherwise, any partial withdrawal will first be made from the Unit Class without withdrawal fees. If you have selected the Phased Investment Option, unless you tell us otherwise, we will take the withdrawal from any remaining holdings in the Phased Cash Account and then from the earliest Units purchased.

Withdrawal fees and initial charges will not be applied if converting between Accumulation and Distribution Units in the same Unit Trust.

Where we charge a withdrawal fee, Legal & General (Unit Trust Managers) Limited will not also charge a withdrawal fee.

10. Changing funds

You can request that some or all Units of a Unit Trust are switched into Units of another Unit Trust. This request must be in Writing, or any other method deemed acceptable by us. The minimum amount that can be switched into a Unit Trust is £500 and the minimum value that must remain in a Unit Trust is £500. Some Unit Classes may have higher investment levels and these are detailed in the Key Information literature.

If you request a switch out of a Unit Trust in which phased investments are being made, unless you tell us otherwise, any remaining Phased Investment Option holdings in the Phased Cash Account will continue to be invested in your original choice of Unit Trust(s). When you have given us a valid switch instruction, Units of the original Unit Trust will be sold at the next Valuation Point. Units of the new Unit Trust will be bought at the Valuation Point that coincides with the Unit sale where available, otherwise at the next Valuation Point.

Appendix A gives details of the Unit Trusts that are not available for new ISA investments.

When switching between Unit Classes that both have withdrawal fees, the withdrawal fee will not be applied at the time of the switch.

When you request a switch from a Unit Trust Unit Class with a withdrawal fee to one without, the withdrawal fee will be charged (Appendix A gives details of these withdrawal fees).

When you request a switch into a Unit Trust Unit Class with an initial charge, the initial charge may be charged.

We expect the manner in which you invest in the Unit Trusts to reflect their objective of generating steady return over the medium to long term (typically five years or more). If, in our reasonable opinion, your trading activity represents a threat to the value of the Unit Trusts, for example over frequent trading, we may exercise our discretion to refuse to accept a switch instruction.

When making Payments by direct debit, you may, on giving Written notice, or notice by any other method deemed acceptable by us, request future Payments be invested into another Unit Trust(s). We must receive this request five business days before the collection date in order to make the change.

11. Spread

For all Unit Trusts without an initial charge, the quoted buying and selling prices of Units in the Unit Trust will be the same for any particular Valuation Point. For all Unit Trusts with an initial charge the difference between the buying and selling price will include the initial charge, as detailed in Appendix A.

When Legal & General (Unit Trust Managers) Limited is selling more units than it is buying back, the price will normally be based on the price of buying the assets held by the Unit Trust. When Legal & General (Unit Trust Managers) Limited is buying more units than it is selling, the price will normally be based on the price of selling the assets held by the Unit Trust. The current maximum price difference, or spread, between these pricing bases is shown in Appendix A.

12. Tax reclaims

You authorise us to apply to HMRC on your behalf to make all appropriate claims for the repayment of, or credit against, tax in respect of Units held under an ISA and any income they produce. For this purpose you authorise us to provide HMRC with all relevant information and documentation about you and your Account as may be required for this purpose.

13. Liabilities

We will only be liable for losses, including losses in the value of any assets held within the Account, if they are caused by our or any of our servants' or agents' negligence or wilful default.

14. Making withdrawals

You may make partial cash withdrawals for amounts of £500 or more from the Account by Written request, or by any other method deemed acceptable by us, provided that the value remaining in the Account is at least £500. This instruction cannot subsequently be changed or withdrawn and we may ask you to confirm your instruction in Writing. Units will be sold at the price calculated at the next Valuation Point unless for any good reason we need to confirm or check your instruction, your signature, or a change of personal details. If the value of your Account subsequently falls below £350 we reserve the right to close the Account. Alternatively, you can make a full cash withdrawal. Faxed or emailed withdrawal instructions will only be accepted with our prior agreement. Where a full withdrawal is requested from an Account with monthly Payments, we will also, unless otherwise instructed, stop the direct debit. If you are invested in more than one Unit Trust, unless you tell us which Unit Trust you wish to sell, we will sell Units from the Unit Trust in which you first invested.

If you have selected the Phased Investment Option, unless you tell us otherwise, the withdrawal will come from any remaining holdings in the Phased Cash Account first and then from the earliest Units purchased. If there are any holdings left in the Phased Cash Account, your monthly investments will be adjusted so an equal amount is invested for the remainder of the 12 month period.

15. Closing an Account or repairing an ISA

You may close or make withdrawals from an Account by giving us Written instructions, or instructions by any other method deemed acceptable by us. Faxed or emailed instructions will only be accepted with our prior agreement. Units will be sold at the price calculated at the next Valuation Point unless for any good reason we need to confirm or check your instruction, your signature, or a change of personal details. Where requested, and within the timescales requested (subject to a minimum notice period of 10 business days), we can transfer Units into your name rather than selling them and paying you their value. If your Account is being closed, we will ensure that any transaction already started will be completed.

We have absolute discretion to close your Account by giving you one month's notice. In particular, we may give you written notice to close your Account if it is no longer feasible to continue it because of changes to the Regulations, or if you fail to meet these Conditions, or if we breach the Regulations. We will not be liable to you for any loss, liability or damage you may suffer if we do close your Account for these reasons.

Where two successive direct debit Payments fail to be collected, we have the right to close your Account if the total value at that time is less than £350.

We will tell you if your ISA has, or will become, void because we have failed to satisfy the provisions of the Regulations. If your ISA becomes void under the Regulations (even if HMRC allows it to be repaired), unless you tell us otherwise, enough Units will be sold to make any payment as HMRC may demand. Unless HMRC allows the ISA to be repaired, the remaining Units will be held outside the ISA in an Investment Account but you will remain the beneficial owner.

16. Withdrawal payments

When you make a cash withdrawal from an Account, including any transfers to another ISA account manager, or your Account is closed, the proceeds of the sale of Units will normally be sent or transferred within four business days (or within one business day for the Legal & General Cash Trust) of the date that the last Units were sold. Where a withdrawal is made shortly after a Payment is made, the proceeds will only be paid once we are assured of cleared funds in respect of that Payment. This will normally be within 10 business days of the date that the last Units were sold. Where we have good reason to query a signature or the validity of a non-Written instruction, we will not pay you until the query has been resolved to our satisfaction. Whilst we are waiting for any such query to be resolved, the proceeds will be held in a Client Money Account and no interest will be paid. Where your instruction was provided by telephone, we may, in certain circumstances, pay the proceeds to you without such verification.

We will delay any payments to you where necessary to verify your identity. This means that sometimes, payment may be made outside the period outlined above. While outstanding requirements are being obtained, all proceeds are held in a Client Money Account and no interest will be paid. In the case of direct debit collections, payment may be deferred in relation to the last direct debit collection until we can be sure that Payment has been successfully collected. For your protection payment will

be made by BACS transfer. Payment to your nominated bank or building society account will discharge us from any liability in relation to the payment. Payment can be made by cheque at your request and risk, however we cannot be held responsible if the cheque fails to arrive in the post. If you instruct us to make a payment to a non-Sterling bank account, payment will be made in Sterling and we will not pay any costs for currency conversion. Payments to anyone other than you will only be made on death (see Clause 17) or when transferring to another ISA manager (see Clause 21). Payments will not be made to individuals holding powers of attorney unless they operate a Client Money Account.

No interest will be earned between the date Units are sold and the date any payment clears into your bank or building society account. We reserve the right to deduct any outstanding fees, charges and expenses from the amount due to be paid to you.

17. Procedure following death

For Investment Accounts held in more than one name, the Account will continue in the name(s) of the surviving investor(s). Upon your death your ISA automatically terminates in accordance with the Regulations, but will be converted to an Investment Account and this will remain invested in Units. If you have selected the Phased Investment Option no further holdings in the Phased Cash Account will be invested in Units.

For Investment Accounts held in a single name, and for all ISAs converted to Investment Accounts, on receipt of proof of death, without proof of who is entitled to the benefits, any Distribution Units will be converted to Accumulation Units where available. Any income due to be paid out after this conversion will also be invested into Accumulation Units. Where Accumulation Units are not available, all future distributions will be used to buy additional Distribution Units.

For Investment Accounts held in a single name, and for all ISAs converted to Investment Accounts, when we have all the documentation we reasonably need to establish proof of death and proof of entitlement in order to finalise the arrangements, we will, unless told otherwise, sell the Units at the next Valuation Point. The proceeds will then be sent to your personal representatives within four business days (or within one business day for the Legal & General Cash Trust). If any tax credits were added to your Account after the date of your death, a sum equal to these credits will be deducted from the Account and paid to HMRC and your personal representatives will receive the cash value of the Account subject to that deduction. If your personal representatives require an Account to be opened with us in another investor's name, we may require verification of identity from the new Account holder. These Conditions will be binding on your personal representatives.

18. Changing the Conditions

We can, by giving you at least 30 days' notice, vary or change these Conditions, provided that such variations or changes mean that your ISA continues to meet the Regulations and is permitted under the Financial Services Authority Handbook.

19. Transferring our duties

We may, at our absolute discretion, appoint agents to carry out our obligations in managing your Account as long as this is allowed by the Regulations and the Financial Services Authority Handbook. However, we will not do so unless we are satisfied that the agent is competent to perform such tasks. Our liability to you under these Conditions shall not be affected.

You consent and agree that we may assign to any Legal & General group company all or any of our rights and obligations under these Conditions. We will notify you of any such assignment.

We may appoint any person whether or not a Legal & General group company to advise on or perform any of our functions under these Conditions and we may provide information about you and your investments to any such person and you agree that we may do so. Prior to doing so, we will ensure that any person to whom we delegate any of our functions under these Conditions is competent to carry out those functions.

20. Processing data and providing information to others

Where you tell us that the Account is being used in connection with a mortgage or mortgages from a named lender or lenders, then we may provide the lender(s), and any other person you permit in Writing, with any information that they may request about the Account. These requests will only be answered on an individual basis.

The Legal & General group of companies will hold and process information obtained about you as a result of your Application whether or not it proceeds, either by computer or otherwise.

21. Transferring an ISA to another manager

You may, at any time, request us to transfer all or part of your ISA, as permitted in the Regulations, to another account manager. The transfer will take place within such time as may be agreed between the parties and within the timescales requested. We will sell enough Units from your ISA to meet the requested Transfer Value. When we have received all the information we reasonably require to finalise the transfer, the Units will be sold at the next Valuation Point. Where there are not enough Units in the ISA to meet this value, no sale will proceed and the other account manager will be informed. We will deduct any outstanding charges, or any payments that are owed to HMRC in accordance with the Regulations from the Transfer Value. Any distribution and/or reclaimable tax credit that was due to be paid after the completion of a transfer will be sent to you. If you have selected the Phased Investment Option, unless you tell us otherwise, the withdrawal will come from any remaining holdings in the Phased Cash Account first and then from the earliest Units purchased.

22. Transferring an ISA from another account manager

We will, at our discretion, allow an ISA to be transferred to an ISA from another account manager.

(a) Any account(s)/plan(s) to be transferred must first be converted to cash. This cash value must not be less than the current minimum payment for an ISA as detailed in our ISA transfer Application (which shall be regarded as an Application for the purpose of this Clause 22).

- (b) Only the last paragraph in Clause 2 will apply, as a new ISA is not being established.
- (c) The transfer date will be agreed between us and the previous account or plan manager.
- (d) If any Payments of £25 or more are received from your previous manager after the date of transfer by a Dealing Deadline, these amounts will be used to buy Units at the next Valuation Point in the same Unit Trust(s) and in the same proportions as the original transfer. Smaller payments will be returned to the original account or plan manager to be reissued in your name.
- (e) When we receive the transferred cash it will be invested at the next Valuation Point.
- (f) Where the other manager tells us how the Transfer Value is split between the current tax year and the previous tax year, we will hold the current tax year as a separate ISA.
- (You should note that the banking arrangements in Clause 4 continue to apply.)

23. Regulators

Legal & General (Portfolio Management Services) Limited is authorised and regulated by the Financial Services Authority.

24. Verification of Identity

To protect you and us from financial crime, we may be required to verify the identity of new and sometimes existing customers. This may be achieved by using reference agencies to search sources of information relating to you (an Identity Search). This will not affect your credit rating. If this fails, we may need to approach you to obtain documentary evidence of identity. In certain circumstances, we may need to contact you to obtain more information regarding your investment.

25. Complaints

We have a procedure for handling any complaints relating to the operation of your Account, a copy of which is available on request at the address in Clause 26. In the event you are not satisfied, you also have a right of complaint direct to the Financial Ombudsman Service.

26. Giving notice

We will only carry out instructions if they are from you or your authorised representatives. Any instruction given to us must be in Writing (or by any other method we deem acceptable) and should be sent to and will only become effective when received at:

For postal instructions:

Legal & General Retail Investments,
Customer Services Centre,
PO Box 1004, Cardiff CF24 0YS

Or

For couriered instructions:

Legal & General Retail Investments,
Customer Services Centre,
Brunel House, 2 Fitzalan Road,
Cardiff CF24 0EB

Or such other address that we tell you about after acceptance.

We will acknowledge all instructions and carry them out except where these Conditions have not been complied with or where we believe that they are not able to be carried out or contrary to any law or rule or regulation.

April 2008

Ethical criteria

The Ethical Trust has been designed to track the FTSE 350 Index excluding any company that is substantially involved in any of the following criteria.

The Ethical Trust will exclude a company:

Animal Testing

- which has tested (or not disclosed otherwise) its cosmetics products on animals in the last five years, or since they had a fixed cut-off date policy
- which has tested (or not disclosed otherwise) its cosmetic intermediates on animals in the last five years

Gambling

- which derives more than 10% of their annual turnover from gambling

Health and Safety Convictions

- where any part of the company has been convicted following Health and Safety Executive prosecutions more than once in the last three years

Human Rights

- with operations in at least five countries listed in EIRIS Category A

Intensive Farming

- which derives any turnover from intensive pig or poultry farming

Military – nature of involvement

- where its products or services constitute strategic parts of a weapons system
- which have been involved in the sale or production of strategic goods or services for products or services which constitute nuclear weapons systems
- where its products or services constitute the sale or production of nuclear weapons systems
- which have been involved in the supply of strategic services for nuclear bases
- which is a major international producer with military sales (or sales activities) in specific countries

Nuclear Power

- which owns or operates nuclear power stations

Pornography and Adult Films

- which publishes or wholesales pornographic magazines or newspapers
- which distributes cut 18 certificate films or videos

Tobacco

- which derives more than 10% of their annual turnover from the production or sale of tobacco

Sustainable Timber

- which EIRIS identified as having an annual usage of over 100,000 cubic metres of timber with limited evidence of sustainable timber sourcing standards

Water Pollution

- which has breached a discharge consent for a Red List substance during the last three years
- which has exceeded their discharge consents in the last year more than 10 times

Investment Companies

All Investment Companies which form part of the FTSE 350 Index are also excluded as their investment objectives may include companies that fail to meet our criteria.

EIRIS

A specialist ethical research company.

Appendix A

	Annual Management Charge	Initial Charge	Withdrawal Charge	Maximum Price Spread at 01/01/08 (1)	Valuation Point	Date Accumulation Unit Available	Distribution Dates (ex-dividend dates in brackets)
Cash Trust R Class (4) (6)	0.50%	Nil	None	0.00%	12.00 hrs	Accumulation Units Only	05/01, 05/04, 05/07, 05/10 (05/11, 05/02, 05/05, 05/08)
Distribution Trust R Class	1.25%	5.00%	None	0.99%	12.00 hrs	Since Launch	14/06, 14/12 (14/04, 14/10)
Ethical Trust R Class	1.00%	Nil	None	0.98%	12.00 hrs	01/11/2000	12/02, 12/08 (12/12, 12/06)
Equity Trust R and E Class	1.00%	5.00% Class R only	Class E only Scale 1 (2)	1.04%	12.00 hrs	01/11/2000	15/04, 15/10 (15/02, 15/08)
European Trust R and E Class	1.50%	5.00% Class R only	Class E only Scale 1 (2)	0.48%	12.00 hrs	01/11/2000	28/09 (28/07)
European Index Trust R Class	0.75%	Nil	None	0.50%	12.00 hrs	01/11/2000	30/09 (31/07)
Far Eastern Trust R and E Class	1.50%	5.00% Class R only	Class E only Scale 1 (2)	1.20%	12.00 hrs	01/11/2000	10/11 (10/09)
Fixed Interest Trust R and A Class	0.75%	3.00% Class A only	None	0.86%	12.00 hrs	01/11/2000	05/02, 05/05, 05/08, 05/11 (05/12, 05/03, 05/06, 05/09)
Global 100 Index Trust R Class	1.00%	Nil	None	0.51%	15.00 hrs	Since Launch	15/08, 15/02 (15/06, 15/12)
Global Growth Trust R and E Class	1.50%	5.00% Class R only	Class E only Scale 1 (2)	0.65%	12.00 hrs	01/11/2000	15/03 (15/01)
Global Health and Pharmaceuticals Index Trust R Class	1.00%	Nil	None	0.62%	15.00 hrs	Since Launch	07/03 (07/01)
Global Technology Index Trust R Class (4)	1.00%	Nil	None	0.43%	15.00 hrs	Accumulation Units Only	10/10 (10/08)
Growth Trust R and E Class	1.50%	5.00% Class R only	Class E only Scale 1 (2)	1.12%	12.00 hrs	Since Launch	15/01, 15/07 (15/11, 15/05)
High Income Trust R and A Class	1.00%	3.00% Class A only	None	1.41%	12.00 hrs	Since Launch	05/02, 05/05, 05/08, 05/11 (05/12, 05/03, 05/06, 05/09)
Japanese Trust R and E Class (4)	1.50%	5.00% Class R only	Class E only Scale 1 (2)	0.68%	12.00 hrs	01/11/2000	17/12 (17/10)
Japan Index Trust R Class	0.75%	Nil	None	0.70%	12.00 hrs	01/11/2000	24/12 (24/10)
Managed Income Trust R Class	0.75%	3.00%	Scale 1 (3)	0.90%	12.00 hrs	10/09/2001	21/03, 21/06, 21/09, 21/12 (22/01, 22/04, 22/07, 22/10)
Managed Monthly Income Trust R Class	1.00%	3.00%	Scale 1 (3)	0.91%	12.00 hrs	10/09/2001	21/01 and 21 of each subsequent month (22/12 and 22 of each subsequent month)
North American Trust R and E Class	1.50%	5.00% Class R only	Class E only Scale 1 (2)	0.87%	15.00 hrs	01/11/2000	16/03 (16/01)
Pacific Growth Trust R and E Class	1.50%	5.00% Class R only	Class E only Scale 1 (2)	1.44%	12.00 hrs	01/11/2000	18/11 (18/09)
Pacific Index Trust R Class	0.75%	Nil	None	1.22%	12.00 hrs	01/11/2000	25/05, 25/11 (25/03, 25/09)
UK Active Opportunities Trust R and E Class	1.50%	5.00% Class R only	Class E only Scale 1 (2)	1.01%	12.00 hrs	01/11/2000	14/06, 14/12 (14/04, 14/10)
UK Alpha Trust R Class	1.50%	5.00%	None	4.22%	12.00 hrs	Since launch	18/02, 18/08 (18/12, 18/06)
UK Index Trust R Class	0.50%	Nil	None	1.07%	12.00 hrs	01/11/2000	06/06, 06/12 (06/04, 06/10)
UK Property Trust R Class	1.25%	5.00%	None	6.05% (5)	12.00 hrs	Since Launch	28/01, 28/04, 28/07, 28/10 (28/02, 28/05, 28/08, 28/11)
UK Smaller Companies Trust R and E Class	1.50%	5.00% Class R only	Class E only Scale 1 (2)	2.47%	12.00 hrs	01/11/2000	18/02, 18/08 (18/12, 18/06)
UK 100 Index Trust E Class	2.00% Class E	Nil	None	0.79%	12.00 hrs	Since Launch	05/01, 05/07 (05/11, 05/05)
UK 100 Index Trust R Class	0.75% Class R	Nil	None	0.79%	12.00 hrs	Since Launch	05/01, 05/07 (05/11, 05/05)
US Index Trust R Class	0.75%	Nil	None	0.52%	15.00 hrs	01/11/2000	05/02, 05/08 (05/12, 05/06)
Worldwide Trust R and E Class	1.50%	5.00% Class R only	Class E only Scale 1 (2)	0.83%	12.00 hrs	01/11/2000	06/01, 06/07 (06/11, 06/05)

	Annual Management Charge	Initial Charge	Withdrawal Charge	Maximum Price Spread at 01/01/08 (1)	Valuation Point	Date Accumulation Unit Available	Distribution Dates (ex-dividend dates in brackets)
Section 2 (Unit Trusts without Unit Classes)							
(Alliance & Leicester) Capital Growth Fund	1.25%	3.00%	None	0.87%	12.00 hrs	Accumulation Units Only	30/04, 31/10 (28/02, 31/08)
(Alliance & Leicester) European Growth Fund	1.25%	5.00%	None	0.48%	12.00 hrs	Accumulation Units Only	30/04, 31/10 (28/02, 31/08)
(Alliance & Leicester) Extra Income Fund	1.00%	4.00%	None	1.33%	12.00 hrs	Since Launch	31/01, 30/04, 31/07, 31/10 (30/11, 28/02, 31/05, 31/08)
(Alliance & Leicester) Income Fund	1.25%	3.00%	None	0.78%	12.00 hrs	Since Launch	31/01, 30/04, 31/07, 31/10 (30/11, 28/02, 31/05, 31/08)
(Alliance & Leicester) UK 100 Index Tracker Fund	1.00%	3.00%	None	0.81%	12.00 hrs	Accumulation Units Only	30/04, 31/10 (28/02, 31/08)

Details including Terms and Conditions covering unit trusts not detailed above are available on request from the address in Clause 26 of the Terms and Conditions.

Key

- (1) In addition to initial charge.
- (2) Withdrawal fee applies to all E Class units (that is units purchased on or before 24/12/2004 or subsequent switches to this Unit Trust unit class with a withdrawal fee).
- (3) Withdrawal fee applies to all units purchased between 10/09/2001 and 30/11/2003.
- (4) Distribution Units are not available for this trust.
- (5) This maximum price spread includes an allowance for Stamp Duty Land Tax which would be incurred when any commercial property is purchased. This tax is currently 4% of the purchase price of the property.
- (6) This trust is no longer available for ISA investments.

Withdrawal Fee Scales	Scale 1
Before 1st anniversary	5%
Before 2nd anniversary	4%
Before 3rd anniversary	3%
Before 4th anniversary	2%
Before 5th anniversary	1%
Thereafter	Nil

The Withdrawal Fee applied is applicable to the period since the initial investment into an E Class Unit. Where there has been a switch between such units, the date of the initial investment remains unchanged.