Individual Personal Pension 2000 Plan

Key features for existing scheme members only
If you would like a copy of this or any other item of our literature in larger print, Braille or in audio format, please contact us at:

DDA Transcription Service, BAY 208
Legal & General House
Kingswood, Surrey
KT20 6EU
The full Key features comprise:

- this document,
- the accompanying illustration(s),

Together with the following documents, which depend on which investments you choose:

- ‘Investment Options’ fund guide,
- ‘An Introduction to Unitised With Profits’.

A more detailed description of With Profits is contained in a document called ‘Principles and Practices of Financial Management’ which is available on request.

ABOUT THIS DOCUMENT

The Financial Services Authority is the independent financial services regulator. It requires us, Legal & General, to provide you with this important information to help you to decide whether making an additional investment into your Personal Pension 2000 plan is right for you. You should read this document carefully so that you understand what you are doing, and then keep it safe for future reference. Your Personal Pension 2000 plan is referred to as ‘your plan’ throughout this document.

ABOUT YOUR PLAN?

Your plan is a simple, tax efficient way to save for your retirement.

You can invest from as little as £20 gross. You can stop, start, increase or decrease regular contributions and pay in single contributions at any time.

The money you pay into your plan is put into one or more investment funds of your choice. The aim is to build up your pension fund to provide you with a pension income when you take your benefits.
KEY FEATURES OF THE LEGAL & GENERAL PERSONAL PENSION 2000 PLAN

ITS AIMS

• To build up a pension fund in a tax efficient way to provide you with an income when you decide to take your benefits.
• To give you the option of taking part of your pension fund as a tax free cash sum when you take your benefits.
• To provide an income or lump sum for your spouse, registered civil partner or your financial dependants if you die before you take your benefits.
• To enable you to contract out of the State Second Pension (benefits arising from doing this are known as Protected Rights).

YOUR COMMITMENT

• The minimum contribution levels are shown below:
  - £20 (gross) for single contributions,
  - £20 for transfer values,
  - £20 (gross) a month or £200 (gross) a year for regular contributions.
• If contributions stop or are less than those assumed in the accompanying illustration(s) then the projected pension fund values shown would be less.
• Any money invested in your plan is normally tied up until you take your benefits. Benefits can generally be taken between the ages of 55 and 75. The minimum age is 50 if you take your benefits before 6 April 2010.

RISKS

• The value of your investments can go down as well as up, so the value of your pension fund is not guaranteed. It is particularly important to remember this if you are close to taking your benefits.
• Your actual pension fund could be less than shown in the illustration(s) because:
  - investment growth could be lower than illustrated,
  - contributions are stopped or are less than those assumed in the illustration(s),
  - the deductions could be more than illustrated.
• The amount of pension income provided by your pension fund will depend on a number of things. These include charges, investment returns and, if you choose to buy an annuity, the annuity rates available to buy your pension when you decide to take your benefits.
• If you use your plan to contract out of the State Second Pension, the amount of pension income provided by your Protected Rights pension fund may be less than the State Second Pension would have provided. Please see the ‘How does contracting-out work?’ section on page 6.
• The funds you choose to invest in have specific risks. These risks are described in Legal & General’s pension fund brochures, which are available on request.
• Charges can change. Please see the ‘What are the charges?’ section on page 7 for more information.
• If you have obtained enhanced protection of your pension benefits from HM Revenue & Customs (HMRC), any additional investment into your plan will mean that you lose your protection and your benefits will be subject to the Lifetime Allowance.
• If you decide to cancel your additional investment within the 30 day cancellation period (please see the ‘Can I change my mind?’ section on page 8) any refund may reflect a reduction in investment values.
• The law and tax rates may change in the future and the value of tax relief will depend on your individual circumstances.

ADDITIONAL RISKS APPLICABLE TO INVESTMENT IN WITH PROFITS

• What you receive from With Profits investments will depend on future bonus rates, which are not guaranteed and can change. Future bonus rates may be reduced if, for example, our expenses are higher than anticipated, or there is an increase in the expected cost of guarantees and options for With Profits policies, or investment performance is less than expected.
• Any investment in With Profits will share in the risks of other With Profits pension plans, which can reduce your bonuses and therefore the amount we pay you. You also share in the risks of other With Profits policies such as bonds.
• We write With Profits and Non Profit policies (that is policies which are not eligible for bonuses) in our With Profits fund. We provide guarantees for both With Profits and Non Profit policies and the assets in the whole fund are ultimately available to meet them. This means that, although you may benefit from support from the assets backing Non Profit business, we could reduce the amount we pay you if we have to use the assets backing With Profits business to support Non Profit business.
• We may reduce the amount we pay if you take your benefits early, transfer or switch out of With Profits. This is called a Market Value Reduction. We use the Market Value Reduction to ensure fairness between policyholders who leave the fund and those who remain in it. This aims to ensure that remaining policyholders are not disadvantaged. The Market Value Reduction will usually be applied when investment conditions have been insufficient to support bonuses. It will also account for additional deductions that may be required to cover the cost of guarantees and options for With Profits policies.

Please ask your financial adviser for the ‘An Introduction to Unitised With Profits’ brochure. It will give you more details on how we apply the Market Value Reduction and some of the technical terms we have referred to above.
WHAT WILL THE ADDITIONAL INVESTMENT PROVIDE FOR ME?
The accompanying illustration(s) shows what kind of pension fund you could build up from your additional investment, taking into account charges over the period, and shows how much pension income it could provide for you.

We will send you yearly statements showing the value of your plan.

HOW MUCH CAN I PAY INTO MY PLAN?
You can make gross contributions of up to 100% of your annual earnings or £3,600 if greater, each tax year, and still get tax relief. Please see the ‘What is the tax position?’ section on page 6 for more information on tax relief and contribution allowances. Also, please see the ‘What are my investment options?’ section on page 6 for information on how your contributions can be invested.

HOW DO I PAY CONTRIBUTIONS?
You can pay regular contributions by Direct Debit on a monthly or annual basis.

Single contributions can be paid by cheque at any time prior to taking your benefits.

Your employer may also contribute to your plan. Please ask your adviser for details.

CAN I MAKE TRANSFER PAYMENTS TO MY PLAN?
Transfer payments may be made from other Registered Pension Schemes or from Qualifying Recognised Overseas Pension Schemes.

It is not possible to transfer in the value of pension benefits that have already been designated for income withdrawal.

CAN I CHANGE MY CONTRIBUTIONS?
You can increase or reduce your regular contributions and also pay in single contributions at any time. However, the amount of any contribution you make must meet our minimum requirements at that time.

You and your employer (if applicable) can also choose to have contributions automatically increased each year. For more information please ask your adviser.

WHAT IF I STOP MAKING CONTRIBUTIONS?
If you stop making contributions to your plan, your pension fund will continue to be invested as before. This means your pension fund value could go down as well as up. We will continue to deduct charges as detailed in the ‘What are the charges?’ section on page 7.

If the charges are greater than any growth on your pension fund, the value of your pension fund will go down.

You can start making contributions again at any time in the future, prior to taking all of your benefits.

CAN I USE MY PLAN TO CONTRACT OUT OF THE STATE SECOND PENSION?
Yes, your plan can accept contracting-out rebates from HMRC, as well as Protected Rights transfer values.

You can remain contracted out as long as you continue to meet the requirements set out in Government regulations. However, you cannot remain contracted out within your plan if you join a new employer’s contracted out pension scheme or you become self employed.

If you use your plan to contract out of the State Second Pension, you must do so for a full tax year at a time, for example from 6 April 2009 to 5 April 2010. You can only contract out with one pension provider for the same period.
HOW DOES CONTRACTING-OUT WORK?

Currently, contracting-out rebates represent a partial rebate of both your and your employer’s National Insurance contributions for each tax year you are contracted out.

Every contracting-out rebate paid into your plan is invested in the fund(s) of your choice.

HMRC National Insurance Contributions Office automatically pays the contracting-out rebates directly to us, each year after the tax year ends.

The basis for the calculation of the contracting-out rebate is decided by the Government Actuary’s Department and can be changed by them at any time. The amount of rebate paid into your plan will be dependent on your age and the basis of calculation applicable at any one time. It is the Government’s current intention to cease contracting-out for this type of plan from 2012.

For everyone aged 44 or more, the Government has decided to limit the payments they will make to this type of plan. This means if you remain contracted out past age 43, you’ll receive a smaller Government rebate payment into your pension plan than the Government Actuary’s estimate of the value of the State Second Pension that you are giving up. For further information you may like to read the consumer information leaflet on contracting-out, published by the Financial Services Authority, available at www.pensionsadvisoryservice.org.uk

If your income is between the Qualifying Earnings Factor and Lower Earnings Threshold (£4,940 to £13,900 for the tax year 2009/2010) you may receive a higher pension income by remaining in the State Second Pension.

You may contract in or out of the State Second Pension each tax year. To do so you need to let us know your decision before the end of the tax year in question.

WHAT IS THE TAX POSITION?

All gross contributions up to 100% of your annual earnings, or £3,600 if greater, that you make each tax year to all your Registered Pension Schemes qualify for tax relief. You can make payments up to your 75th birthday, even if you are not working.

The amount you pay as a contribution into your plan, after an amount equivalent to basic rate tax relief has been deducted, is called your net contribution. We then add the basic rate tax relief that we reclaim from HMRC to your net contribution and invest the total, called the gross contribution, in your plan. If you pay higher rate tax, you will need to claim any extra tax relief through your tax office.

Your contract is for the gross contribution, so if the basic rate of tax changes, the amount you pay will change.

If contributions to all your Registered Pension Schemes, including any paid by your employer, exceed the Annual Allowance, the excess will be subject to a tax charge of 40%. However, contracting-out rebates do not count towards the Annual Allowance.

The amount of the Annual Allowance has been set up to the tax year 2015/2016 as shown below. It will be reviewed on an ongoing basis after that.

<table>
<thead>
<tr>
<th>Tax year</th>
<th>Annual Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/2010</td>
<td>£245,000</td>
</tr>
<tr>
<td>2010/2011 to 2015/2016</td>
<td>£255,000</td>
</tr>
</tbody>
</table>

The Annual Allowance will not apply in the actual tax year when you take all your benefits.

Any contracting-out rebates paid into your plan will include an amount for basic rate tax relief in respect of your own National Insurance contributions. If you are a higher rate tax payer you will not be able to claim any extra tax relief.

Any growth in your pension fund is free of UK income tax and capital gains tax. However, we cannot reclaim the tax paid on dividends from UK companies.

There are no restrictions on the value of the total benefits payable from all your Registered Pension Schemes. However, anything over a certain level, called the Lifetime Allowance, will be subject to a tax charge of up to 55% on the excess.

For the 2009/2010 tax year, the Standard Lifetime Allowance has been set at £1.75 million, rising to £1.8 million for the tax year 2010/2011 and will remain at that level for all tax years up to and including 2015/2016. After that it will be reviewed on an ongoing basis. For most people, the Lifetime Allowance will be the Standard Lifetime Allowance. However, you may be entitled to an increased Personal Lifetime Allowance in certain circumstances. For more information please ask your adviser.

The law and tax rates may change in the future and the value of tax relief will depend on your individual circumstances.

WHAT ARE MY INVESTMENT OPTIONS?

Every payment you make into your plan will be invested in accordance with your instructions. The accompanying illustration(s) gives you details of your proposed investments.

You can choose to invest in up to 10 different funds or one Lifestyle Profile at any one time.

Legal & General’s pension fund brochures give you full details of all the funds, and some of the risks involved. For details of how we operate our unit-linked funds please see ‘A guide to how we manage our unit-linked funds’. Please ask your financial adviser for these brochures, or contact us using the details in the ‘How can I contact you?’ section on page 8.
WHAT ARE THE CHARGES?

We have an annual management charge, which we work out daily and take monthly for the month just passed by cashing in units. The details of the charge are set out in the accompanying illustration(s) and any previous personal illustrations issued to you.

You can ask us for a detailed explanation of how we work out the charge. It is also covered in your Member’s booklet.

We can increase our charges from time to time, but we will let you know at least 30 days before we make any such change.

CAN I TRANSFER TO ANOTHER PENSION PROVIDER?

You can transfer the value of your plan to another Registered Pension Scheme at any time. However, if you are invested in With Profits, a Market Value Reduction may apply.

WHEN CAN I TAKE MY BENEFITS?

You can normally take your benefits between the ages of 55 and 75. The minimum age is 50 if you take your benefits before 6 April 2010.

If you are unable to continue working because of ill health, you may be able to take an income from this plan earlier than the minimum age.

WHAT HAPPENS WHEN I TAKE MY BENEFITS?

Your income can be taken as an annuity. An annuity is what most people think of as their pension. In simple terms, some or all of your pension fund is paid to the annuity provider in exchange for a regular income.

You may also be able to take up to 25% of your pension fund as a tax free cash sum and use the rest to provide an income.

If you do take part of your pension fund as cash this will reduce the amount of pension income that you receive.

The accompanying illustration(s) gives you an idea of how much pension fund you might build up (after charges) as a result of your additional investment and what it could provide for you if you take your pension as an annuity.

If you do not tell us how you want to take your benefits by the time you reach age 75, you will be deemed to have chosen an Alternatively Secured Pension with no income. If this happens, your pension fund may be subject to a tax charge which we will deduct from your pension fund and pay to HMRC. There may also be ongoing tax charges. We will tell you nearer the time what will happen to your money.

Legal & General does not currently offer an Alternatively Secured Pension.

WHAT WILL AFFECT MY EVENTUAL PENSION INCOME?

The value of your plan will depend principally on the investments you make and on the performance of those investments up to the time when you may choose to buy an annuity.

If you choose to buy an annuity, the rates available at the time and the options that you select will affect your benefits considerably. Annuity rates can change significantly over short periods of time, both up and down.

The way in which you take your benefits will affect the amount of pension income you receive.

HOW CAN I BUY AN ANNUITY?

You can buy an annuity with us, or take your pension fund to another insurer and buy an annuity with them. This is known as the Open Market Option.

Once you have bought an annuity you cannot change your mind and you will be paid an income for the rest of your life.

If you use your Protected Rights pension fund to buy an annuity and you are married/in a registered civil partnership, you must currently buy an annuity that will continue paying half of your Protected Rights pension to your surviving spouse/registered civil partner if you die first.
WHAT HAPPENS IF I DIE BEFORE I TAKE MY BENEFITS?

If, when you die, you have not bought an annuity, the way your benefits can be paid will depend on a number of things. Your Member's booklet provides you with full details.

You have the choice of setting up a trust, nominating a beneficiary or doing nothing. A trust or nomination can only apply to benefits paid as a lump sum. For advice on how to set up a trust, please speak to your adviser.

If you want to make a nomination, you will need to provide us with written details of whom you want the lump sum benefit paid to. Please note, you cannot nominate yourself or your estate. You can change whom you have nominated at any time by telling us in writing. However, once you have made a nomination, you cannot change it later so that the benefit is paid to you or your estate.

We have the discretion to pay any lump sum death benefit to the person(s) nominated and/or your estate.

If you do nothing, any lump sum death benefit will be paid to your surviving spouse/registered civil partner. If you do not leave a surviving spouse/registered civil partner it will be paid to the residuary beneficiaries of your estate.

Protected Rights benefits must currently be paid as a pension to your surviving spouse/registered civil partner, even if you have declared a trust or nominated another beneficiary. If you are not married or in a registered civil partnership when you die then Protected Rights benefits are paid in the same way as Non Protected Rights benefits, as described above.

WHAT ABOUT STAKEHOLDER PENSIONS?

Stakeholder pensions are also available and these may be at least as suitable for your needs as this plan. If you want any more details about Stakeholder pensions please ask your adviser.

CAN I CHANGE MY MIND?

After we have accepted your application for your additional investment, we will send you a notice of your right to cancel. By law we must send you this notice. You will then have 30 days to change your mind about making your additional investment.

If you decide to cancel within this 30 day period you should complete the cancellation notice and return it to the address shown on it. You must post it on or before the 30th day after the day when you received the notice. If you do not take this opportunity to cancel and you want to do so at a later stage, you cannot get any money back until you take your benefits.

If there has been a fall in the value of your additional investment during the period prior to receipt of your instructions to cancel, the refund may reflect this reduction.

If you decide to cancel a transfer, we will make every effort to return the money paid to the previous provider. They are not obliged to accept the return of the transfer value. If we are told that they will not accept the return of the transfer value, the transfer value will remain invested in your Personal Pension 2000 plan as you have chosen. You may transfer to another provider but the amount we transfer will depend on the transfer value of your plan at that time. The transfer payment that you have made may have fallen in value and the total transfer value of your plan will reflect this.

HOW CAN I CONTACT YOU?

Please send all correspondence regarding your Personal Pension 2000 plan to:

Legal & General
City Park
The Droveway
Hove
East Sussex
BN3 7PY

Alternatively, you may call us on 03700 106 020. Call charges will vary. We may record and monitor calls.
ABOUT LEGAL & GENERAL
The Legal & General Group, established in 1836, is one of the UK’s leading financial services companies. Over 6.5 million people rely on us for life assurance, pensions, investments and general insurance plans. The Legal & General Group is responsible for investing £287 billion worldwide (as at 30 June 2009) on behalf of investors, policyholders and shareholders.

TAX AND ADMINISTRATION
This information is based on our understanding of current law relating to pensions.

LAW AND LANGUAGE
This contract is governed by English law. The terms and conditions and all communications will only be available in English. All communications from us will normally be by letter or telephone.

OUR REGULATOR
We are authorised and regulated by the Financial Services Authority. We are entered on the Financial Services Authority register under number 117659. You can check this at www.fsa.gov.uk/register or telephone them on 0845 606 1234.

COMPENSATION
If Legal & General is unable to meet its obligations, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS). This depends on the type of business and the circumstances of the claim. Currently, 90% of the value of a valid claim will be covered by the scheme. There is no upper financial limit on the claim. You can get further information from the FSCS on their website at www.fscs.org.uk

HOW TO COMPLAIN
If you wish to complain about any aspect of the service you have received from Legal & General, or if you would like us to send you a copy of our internal complaint handling procedure, please contact us using the details set out in the ‘How can I contact you?’ section on page 8.

Complaints regarding our administration that we cannot resolve can initially be referred to:

The Pensions Advisory Service
11 Belgrave Road
London SW1V 1RB
Telephone: 0845 601 2923
Email: enquiries@pensionsadvisoryservice.org.uk
Website: www.pensionsadvisoryservice.org.uk

and it may then be referred to:

The Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB
Telephone: 020 7834 9144
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

Sales related complaints that we cannot resolve can be referred to the:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Telephone: 0845 080 1800
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Making a complaint to The Pensions Advisory Service or the Financial Ombudsman Service will not prejudice your right to take legal proceedings.
CONFLICTS OF INTEREST

During the term of your plan conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. A conflict of interest is where our duties to you as a customer may conflict with what is best for ourselves. To ensure we treat customers consistently and fairly, we have a policy on how to identify and manage these conflicts.

A copy of the policy is available on request from the address shown in the ‘How can I contact you?’ section on page 8, or from our website at www.legalandgeneral.com/legal-security

CUSTOMER CATEGORY

The financial services regulator requires us to put our customers into groups so that we can treat them according to their level of knowledge about investments. These groups are:

– Retail client,
– Professional client, or
– Eligible counterparty.

We treat all customers who invest in our pensions as retail clients. This gives you the greatest level of protection under the regulations and ensures you get full information about any products you buy.

If you know a lot about pensions, maybe because you work in the industry, you can be treated as a professional client or eligible counterparty under the regulations. This won’t affect the way we deal with you but it may affect your ability to refer complaints to the Financial Ombudsman Service or to make a claim under the Financial Services Compensation Scheme.

This document is a guide to the key features of this product. You will find full details in your Member’s booklet which you will have received when you became a member of the Scheme. It is also available on request. All information is correct at the time of going to print.