

PRUDENTIAL COMPANY PENSION TRANSFER PLAN

Specimen Trust Deed

This Trust Deed is made on:

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Between

(a) Planholder's name:
Planholder's address:

And

(b) Trustee's name:
Trustee's address:

And

(c) Trustee's name:
Trustee's address:

And

(d) Trustee's name:
Trustee's address:

Prudential Company Pension Transfer Plan

(e) Plan Number
(f) Date of issue of Transfer Certificate

BACKGROUND

The Planholder (as defined below) wishes to place into trust the Policy (as defined below) issued by The Prudential Assurance Company Limited (registered number 015454) in connection with the transfer of the Planholder's benefits under his or her (previous) employer's occupational pension scheme into a Prudential Company Pension Transfer Plan (as defined below).

DEFINITIONS

In this Trust Deed:

"Death Benefit" means the lump sum payable under the Policy on the Planholder's death to his or her legal personal representatives.

"Planholder" means the individual referred to in (a) above, and who wishes to declare this trust.

"Policy" means the Prudential Company Pension Transfer Plan for which the Plan Number is set out in (e) above. The terms of the Policy are set out in the Prudential Company Transfer Plan Technical Guide (CPTB0004) and in the Transfer Certificate issued to the Planholder on the date set out in (f) above.

"The Prudential Company Pension Transfer Plan" means a "section 32" policy issued to provide benefits for and in respect of the Planholder in place of the benefits under his or her (previous) employer's occupational pension scheme. Before 6 April 2006, "section 32" policies were set up under section 591(g) of the Income and Corporation Taxes Act 1988. With effect from that date, they are classified as "registered pension schemes" within the terms of Chapter 2 of Part 4 of the Finance Act 2004.

"Trustees" means the individuals referred to in (b), (c) and (d) above, and who are appointed by the Planholder under the Operative terms below.

When used in this deed "trustees" includes future trustees.

Where the context so admits, the singular includes the plural and the masculine includes the feminine and vice versa in both cases.

OPERATIVE TERMS

- (1) By virtue of all of his or her powers to do so, whether under the terms of the Policy, by this Deed or by statute or otherwise, the Planholder appoints the individuals named under (b) to (d) above as the first Trustees of this trust and irrevocably declares that the Trustees are to hold the Policy subject to the terms of this Trust Deed.
- (2) The Trustees agree to act as trustees of the Policy as evidenced by their execution of this Trust Deed.
- (3) Any Death Benefit which, if the Planholder made no declaration of trust, would be payable on the Planholder's death to his or her legal personal representatives under the Policy terms, is to be held as follows:
 - (a) On the death of the Planholder, the Trustees may pay the Death Benefit to or for the benefit of any one or more of the following people that the Trustees choose and in whatever proportions the Trustees decide in their absolute discretion:
 - the spouse of the Planholder;
 - the Planholder's children, grandchildren, great-grandchildren, brothers, sisters, parents, grandparents, nephews, or nieces;
 - anybody wholly or partly financially dependent or interdependent on the Planholder at the date of death;
 - anybody named as a beneficiary under the Planholder's will;
 - the Planholder's legal personal representatives; and
 - any person whom the Planholder nominates in writing to the Trustees.

(b) If the Trustees wish to exercise their power under this Clause they must do so in writing and within two years of the Planholder's death. If there is any amount of Death Benefit for which the Trustees have not chosen a beneficiary within those two years, then that amount will be payable to the Planholder's legal personal representatives. Pending payment of the Death Benefit (or part of it) any intermediate income shall be accumulated as an addition to capital.

(c) Any income earned on the Death Benefit will be added to it and will become subject to the same terms of trust.

(d) If an appointment is in favour of a beneficiary who is under the age of 18 or is otherwise unable to manage his or her own affairs, the Trustees can:

- pay a parent, guardian or other person or organisation responsible for the beneficiary, provided the recipient promises to use the money for the benefit of the beneficiary; or
- retain the money under trust until the beneficiary is legally able to manage his or her own affairs, and pay it to him or her then. In the meantime the trustees can use income for the maintenance, education or benefit of the beneficiary concerned.

The Trustees may accept as a good and sufficient discharge a receipt given by a parent or guardian of a minor beneficiary for any payment paid or applied for the benefit of that beneficiary, without being in any way accountable for the further application of the payment after receipt by the parent or guardian.

(4) The Trustees can invest money they are holding or which is in their control in income or non-income-producing assets, including life assurance policies.

(5) Any person engaged in a professional or business capacity may be paid from trust money for business they carry out on the trustees' behalf. Trustees who themselves act for the trust in a professional or business capacity can also be paid for that work from trust money.

(6) The Planholder can remove any trustee and can appoint new or additional trustees. After the Planholder dies the Trustees have the power of appointing new trustees. The power of removing or appointing trustees must be exercised in writing.

(7) The minimum number of trustees is two and the maximum is three. If at any time there are fewer than two trustees, another trustee must be appointed.

(8) Benefits payable under the Policy which are not covered by Clause 3 must be paid in accordance with the terms of the Policy. The trustees have no right to direct such payments elsewhere or to call for the payments to be channelled through themselves or anyone else.

(9) If a pension becomes payable while the Policy is subject to the trust, and the pension is to be purchased from a provider other than Prudential, the trustees cannot require that payment be channelled through themselves; Prudential has the right to insist that it pays the money to the other provider directly.

(10) This Trust Deed and the rights and powers of the Trustees and of any beneficiaries are governed in all respects by the law of England and Wales.

(11) The Planholder and the Trustees confirm that they have read the Data Protection information in the "Notes on Specimen Trust Deed".

The Planholder and the Trustees have signed and delivered this document as a Deed on the date shown above.

Signature of Planholder:	
Witnessed by (name):	Signature:
Address of witness:	
	Postcode:

Name of trustee:		Signature:
Witnessed by (name):		Signature:
Address of witness:		
		Postcode:

Name of trustee:		Signature:
Witnessed by (name):		Signature:
Address of witness:		
		Postcode:

Name of trustee:		Signature:
Witnessed by (name):		Signature:
Address of witness:		
		Postcode:

"Prudential" is a trading name of The Prudential Assurance Company Limited, which is registered in England and Wales. This name is also used by other companies within the Prudential Group, which between them provide a range of financial products including life assurance, pensions, savings and investment products. Registered Office at Laurence Pountney Hill, London EC4R 0HH. Registered number 15454.

Authorised and regulated by the Financial Services Authority.

NOTES ON SPECIMEN TRUST DEED

1. IMPORTANT

Prudential cannot be held liable in the event that a trust fails or if the trust wording is not suitable. Note that it must be for the customer's professional advisers to advise on the effectiveness of the arrangement and to ensure that the structure meets the needs of the particular customer.

We strongly advise you to consult your legal adviser about the effect or suitability to your own circumstances of the specimen Trust Deed. As the trusts can only be wound up with the consent of all potential beneficiaries, they are, for most practical purposes, irreversible.

We do not guarantee that the specimen Trust Deed will be appropriate to your circumstances, and we cannot be held liable if the purpose of the Trust Deed fails for whatever reason and Inheritance Tax is therefore payable on the death benefits.

2. GENERAL

The specimen Trust Deed is designed to allow you to place your Plan under trust. This will not affect the payment of benefits other than lump sums payable on your death. The other benefits will continue to be paid to the persons entitled to them under the terms of the Plan. The lump sum death benefit, however, will be paid to the Trustees appointed under the Deed for them to decide who should receive the benefit. You may not need or want such a trust in place (because you prefer the money to be dealt with as part of your estate), but for some people a trust like this may result in Inheritance Tax advantages.

3. INHERITANCE TAX ADVICE

It is generally considered that lump sum death benefits paid under discretionary trusts will not, so long as the individual is a good health at the time the trust is set up, form part of an individual's estate for Inheritance Tax purposes. You should,

however, take independent legal and financial advice on the use of trusts to minimise the risk of Inheritance Tax. Prudential cannot give any such advice.

Please note that lump sum death benefits arising from contracting-out benefits cannot be paid out under discretionary powers and may therefore form part of your estate for Inheritance Tax purposes, even if you put your Plan under trust.

4. LIFETIME ALLOWANCE CHARGE

From 6 April 2006, the Government introduced a new overall Lifetime Allowance on benefits from pension plans. The standard Lifetime Allowance is £1.5 million for the 2006/07 tax year, increasing to £1.6 million from 6 April 2007 (with further increases later). A higher or lower amount may however apply in some circumstances.

There will be a Lifetime Allowance Charge, a tax charge, on any excess of the total lump sum death benefits from pension plans over the available Lifetime Allowance at the date of death. Your Legal Personal Representatives are responsible for working out whether a Lifetime Allowance Charge is payable and for reporting to HMRC. Any Lifetime Allowance Charge is payable by the beneficiaries.

Please see our leaflet "Lump Sum Death Benefits over the Lifetime Allowance" for further information.

IMPORTANT: The use of a trust does not exempt the benefits from any Lifetime Allowance Charge that may arise.

5. TRUSTEES

You must choose either two or three Trustees, not including yourself. They must be chosen very carefully as they have important discretions and powers. In particular, they decide who is to benefit in the event of your death. You cannot give them any binding instructions. All you can do is express your wishes in writing, which they may follow if they so decide.

The Trustees must exercise their choice of beneficiary or beneficiaries amongst those they trace within two years of your death.

6. COPY OF DEED MUST BE SENT TO PRUDENTIAL FOLLOWING SIGNATURE

Once you and the Trustees have signed the Trust Deed you must send a copy to us so we can enter details in our records. Prudential will be neither bound by the terms of the Deed nor able to act in accordance with the terms of the Deed unless it is notified of the trust.

If you do not send a copy of the Trust Deed to Prudential, or if the copy fails to reach us, Prudential may not be able to pay any money due on death to your appointed Trustees. Prudential may instead pay the money to your Legal Personal Representatives* in accordance with the terms of the Technical Guide. Having paid the money to your Legal Personal Representatives*, Prudential will be discharged of all further liability.

You must also provide a copy of any later amendment, such as any change of Trustee; again, unless and until you do so, Prudential will not be bound by the terms of the amendment or change of Trustee, nor able to act in accordance with it.

A Trustee whose appointment has not been acknowledged by us may find it difficult to establish a valid claim. Consequently, if you do not receive our acknowledgement that we have received a copy of the executed Trust Deed or any later amendment that you send us, you should contact us immediately, as failure to do so may mean that we cannot act in accordance with your intentions.

* Note: If your Technical Guide (CPTB0004) was issued prior to February 2006, then payment would, in these circumstances, be made to your beneficiaries via the Standard Trust set out in the Technical Guide, and only to your Legal Personal

Representatives if there are no beneficiaries.

Please note however that the Standard Trust is not considered to be effective for Inheritance Tax purposes.

7. SAFEKEEPING OF DOCUMENTS

The original executed Trust Deed should be kept safely by the Trustees. It may be advisable that the Trustees also retain custody of the Technical Guide CPTB0004 (or a copy of it) so that it is readily available to them in the event of your death, unless you have made other arrangements to ensure that it is produced and dealt with properly in these circumstances.

8. DATA PROTECTION INFORMATION

Data Protection Notice

The Prudential Assurance Company Limited, its group companies**, business partners, service providers and agents may use the Planholder's and the Trustees' information together with other information for administration and customer services. We may search the files of credit reference agencies (who record all information of such searches). This is to help us to prevent fraud, to check their identities and to prevent money laundering. We may disclose details of how the Planholder and/or the Trustees conduct the Plan to such agencies. The information will be used by other credit grantors for fraud prevention, money-laundering prevention and occasionally for tracing debtors. This information may be used to recheck these purposes. We will pass the Planholder's and/or the Trustees' information to any legal or regulatory body if required to do so.

** The Prudential Assurance Company Limited part of the Prudential group of companies which at the time of printing includes Prudential UK & Europe, the M&G Investments Group, Egg plc, Prudential Corporation Asia, Jackson National Life, and PPM America Inc (indirect wholly owned subsidiary).

It may be necessary, for the above purposes, to transfer the Planholder's and/or the Trustees' information to countries that provide a different level of data protection from the UK. In such circumstances, we will put a contract in place to ensure the Planholder's and/or the Trustees' information is protected.

The Planholder and the Trustees have a right to obtain a copy of their personal information (for which we may charge a fee) and to have any inaccuracies corrected by writing to:

The Data Protection Department,
The Prudential Assurance Company Ltd,
3 Sheldon Square,
London, W2 6PR.

To make sure we follow the Planholder's and/or the Trustees' instructions correctly and to improve our service through training of our staff, we may monitor or record communications.

Providing information about other people

When giving us information about another person, for example any person for whom a spouse's or dependant's pension is to be set up, the Planholder and/or the Trustees must confirm that they have consent to do so. This includes providing consent to:

- the processing of the other person's personal and sensitive data
- receive any data protection notices on their behalf.

Marketing Choice

We have assumed, for Data Protection Act purposes, that no unsolicited information about other Prudential products or services should be issued to the Planholder. Any Planholder who would like details of any products or services that we offer should speak to a financial adviser or contact us separately.

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