

Notice of Annual General Meeting 2006

Notice is hereby given that the Annual General Meeting (AGM) of The Equitable Life Assurance Society will be held at 11.00a.m. on Wednesday 17 May 2006 at Congress Centre, Great Russell Street, London WC1B 3LS. For directions, please see the back page. The business of the Meeting will be as follows:

Resolutions:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions.

1. That the report of the Directors and the statement of accounts for the year ended 31 December 2005 together with the report of the auditors thereon be received and adopted.
2. That PricewaterhouseCoopers LLP be re-appointed as auditors of the Society until the conclusion of the next General Meeting at which accounts are laid before the Society at a remuneration to be determined by the Board.
3. That the Directors' Remuneration Report be approved.
4. That Directors in place of those retiring be elected.

By order of the Board

P W Wilmot
Secretary

10 April 2006

As a Member of the Society you are invited to attend the AGM. Only Members entitled to vote (or their duly appointed proxy) may take part in the meeting. To be entitled to vote at the AGM on 17 May 2006, a Member must hold a with-profits policy in his or her own name which has participated in profits continuously since before 1 January 2005 and which has a 'total sum assured' (as defined in the Articles of Association) of at least £1,000.

In accordance with the provisions in Regulation 24(4) of the Society's Articles of Association the Directors have determined that in the event of a poll being called at the AGM, the number of votes to which each Member shall be entitled shall be the number arising from the total sum assured (as defined in the Articles) held by that Member on 6 May 2006.

To assist in the orderly conduct of the meeting, it would be helpful if Members (or their duly appointed proxy) wishing to ask questions would indicate their intention to do so by registering their question(s) at the venue from 9.30 a.m. on the day of the meeting.

FOR CANDIDATES' STATEMENTS SEE OVERLEAF

Candidates' Statements

This section contains statements provided by the candidates seeking election at the AGM on 17 May 2006.

These statements are personal statements by the candidates and the Society cannot accept responsibility for their content or accuracy.

Existing Directors retiring and seeking re-election

• David Adams OBE

I was elected to the new Board in 2001 and re-elected in 2004. Throughout my five years as a Director I have been a member of the Audit Committee and the Investment Committee. Latterly I have been Deputy Chairman of the Audit Committee.

During my career I have been Chief Executive of three organisations: Harrow London Borough Council, the Railways Pension Schemes and the Chartered Institute of Public Finance and Accountancy (CIPFA). I have also been Finance Director at Harrow LBC and the Railways Pension Schemes. These posts have given me wide ranging experience at Board level in corporate, strategic and financial management including operational responsibility for the investment and actuarial aspects of pension schemes.

Since 2001 I have been a Board Member of the Occupational Pensions Regulator (OPRA) (2001 to 2005) and am a Director of the Keystone Investment Trust Plc. I have chaired the Audit Committees of both. I am Honorary Chairman of the Mencap Pension Plan Trustees and of two other charities' pension schemes.

The challenges faced by the Society and its members in the past five years have been extraordinarily difficult. An intractable and complex set of problems was compounded by an unexpected economic downturn that placed the Society in an investment straitjacket. The Board has sought first to establish stability and then to protect and improve future prospects for the Society's members. Much has been achieved but much remains to be done. The mixture of skills and experience of Board members has been crucial to the important progress made to date. I ask members to support my re-election to enable me to continue to contribute to and to support the work of a committed and highly professional team of Directors.

• Charles Thomson

When I became Chief Executive of your Society, all that was clear was that the Guaranteed Annuity Rate issue had made the Society unsaleable and threatened its very existence. The Compromise Scheme addressed that fundamental problem, but the more we examined the Society's position the more problems we uncovered. On top of those internal issues, we had to deal with the worst equity market conditions for a generation.

Leading a new management team and reacting to the many internal problems and external influences while keeping our own agenda for the Society on track has been immensely challenging, but also satisfying. A great deal of painstaking work has been done to address the risks that the Society faced, particularly the uncertain outcome of the policy reviews for mis-selling and the fragile financial strength. I am pleased to say the Society is now in a much stronger financial position – we have increased bonus rates, the major reviews are complete, we have repaid half of the Society's £350 million "mortgage" (the subordinated debt) and the Society now faces the future in a much more stable financial position.

The improved stability and security of the Society has in turn brought us to an important crossroads. There will be some fundamental choices about the way forward such as whether we remain in managed run-off, transfer blocks of policies or restructure policies. I would very much like to lead your Society through this important phase and continue to improve matters for the benefit of policyholders.

I am proud to serve as the Chief Executive of your Society and would welcome the opportunity to continue to serve in this capacity and as an executive Director to tackle the challenges we face with vigour, professionalism and unswerving commitment to act in your best interests at all times.

• Andrew Threadgold

I have served as a non-executive Director to The Equitable Life Assurance Society since April 2001. I was elected as part of the new Board of Directors appointed to oversee the Society's well documented difficulties at that time.

I was pleased to be appointed Chairman of the Investment Committee, reflecting my background in investment management with PostTel (now called Hermes) and the AMP. I remain active in the investment management world, both through an involvement with a successful investment management boutique and through being either a Trustee or an adviser to a number of defined benefit pension schemes.

In the last five years the Board, under the able Chairmanship of Vanni Treves, has grappled with many difficult regulatory, legal, financial and actuarial issues. Not everything has turned out the way we would have liked, but overall the Board has steered the Society into calmer waters and I am proud to be a member of the team that has delivered this.

I am also pleased to have contributed to creating an environment in which we can now consider dispassionately a range of possible strategies for the benefit of our members. Clearly, with capital and regulatory constraints on the composition of the with-profits fund, we must explore all avenues which hold out the prospect of better risk adjusted returns for our members than the fund looks likely to generate in run-off. If that is not feasible, and it is hard to be too optimistic given the market, legal and regulatory hurdles, we must seek to control the risks to the with-profits fund while maintaining prospective returns.

I feel that I still have something to contribute, as we face these important strategic decisions. I am therefore delighted to be asking you for your continued support for another term.

Other candidate

• John Arthur Newman MA FCA

The present board has been in office for nearly five years. They did achieve the GAR compromise and have kept the Society just solvent. But they have wasted nearly £50m on a misconceived court case. The job of reforming the Society has hardly been addressed. The regulators have not been pursued for their failures. The performance of the 'with profits' fund has been poor. Costs have been high and in percentage terms to assets have increased. The directors have voted themselves excessive bonuses too.

I am a policyholder and for 30 years I have advised on tax as a professional chartered accountant. I concentrated on the financial services industry – ideal training for the role of an independent non-executive director. I will represent annuitants (both my father and father-in-law are annuitants) and have the experience: 10 years on the Council of the Institute of Chartered Accountants in England and Wales and President of the Association of Accounting Technicians.

My agenda is to:

- Support the Committee of Inquiry of the European Parliament and make the European route for compensation from the Government a success.
- Make sure the Society cooperates with the Parliamentary Ombudsman and if there is a finding of maladministration assists EMAG in obtaining proper compensation for policyholders.
- Take a personal interest in standards of service at Aylesbury and attack the level of charges for investment management and for policy management from HBOS.
- Explore separate funds for differing classes of policyholders and investigate if annuitants can transfer or recast their choice of annuity.
- Make openness in dealing with claims the Society's policy.
- Assist the Society to account realistically for its activities and particularly account for MVAs and reconsider the MVA policy.
- Have full disclosure of documentation and better disclosure of financial information.

Last year I stood for election and was not voted in – I ask policyholders to think again and ignore the Board. Remember I will be the first truly independent non-executive director. Please use your vote just FOR me and vote AGAINST re-election of all the incumbents, particularly Charles Thomson due to his disproportionate cost. You will find more information about me and my views on the Equitable Members' Action Group website: www.emag.org.uk . I have been vice chairman of EMAG since January 2005 but will resign if elected to the Board.

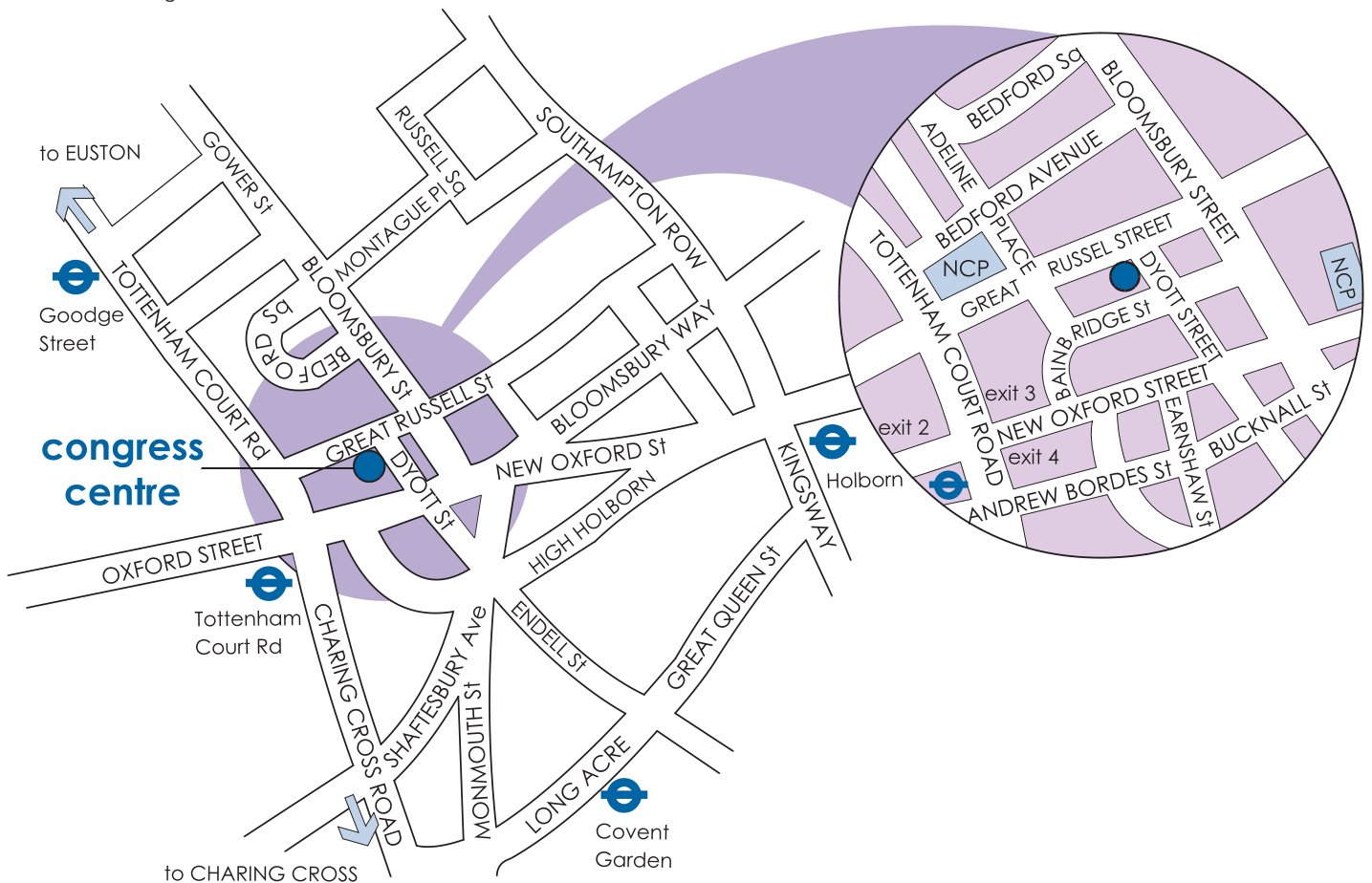
Venue of AGM

Congress Centre

Great Russell Street, London WC1B 3LS

Tel: 020 7467 1318

www.congresscentre.co.uk



Congress Centre, based at the TUC's Congress House in Central London. It has excellent transport links by tube (direct to Euston, Charing Cross, Waterloo and Liverpool Street railway stations), bus or taxi, and public car parks close at hand.

Nearest underground: Tottenham Court Road (exit 3) – 3 minutes' walk away.

Parking: There are two public car parks close by, in addition to metered parking. They are located in Great Russell Street and Museum Street.

Venue access and facilities for the hard of hearing

Congress Centre has wheelchair access. An induction loop is available and can be received by switching the hearing aid to the 'T' position. Signs will be in place to clearly indicate the available seating. On the stage near this area will be a sign language interpreter who will relay the meeting.