

Letter of Appointment of non-executive Directors

A specimen of the letter currently used for the appointment of new non-executive Directors is shown below. (Note: letters of appointment in respect of non-executive Directors appointed prior to 2003 differ to some extent from the attached specimen. For copies of earlier specimen letters of appointment, please contact the Company Secretary, in writing, at the Society's Registered Office.)

Specimen letter of appointment

The logo for Equitable Life, featuring the company name in white serif font on a dark blue rectangular background.

Walton Street
Aylesbury
Bucks
HP21 7QW

Website: www.equitable.co.uk

Dear []

The Board has approved that you should be appointed as a non-executive Director of the Society with effect from [], subject to the prior approval of the Financial Services Authority (FSA). It is agreed that this is a contract for services and is not a contract for employment.

I am writing to set out the terms of your appointment as a non-executive Director of The Equitable Life Assurance Society (the "Society").

Appointment

This appointment is subject to receipt of all necessary legal and regulatory approvals.

The appointment is subject to review by the Nominations Committee and by the Board at any time and to termination by either party upon one month's written notice.

All Directors must retire and seek re-election at the first Annual General Meeting following their appointment. The Society's Articles require a number of Directors to retire by rotation at each Annual General Meeting and also that all Directors submit themselves for re-election by rotation at a General Meeting at least every three years. This appointment shall automatically terminate if you are not re-elected or if you become prohibited by law from being a Director. Retirement is required, if deemed appropriate by the Board, if you cease all relevant employment.

If your appointment as a non-executive Director is terminated, you shall, if so requested by the Society, also resign from all and any offices which you may hold as or by virtue of being a

Director of the Society and from all other appointments or offices which you hold as nominee or representative of the Society. Should you fail to do so within seven days, the Society is hereby irrevocably authorised to appoint some person in your name and on your behalf to sign any documents or do any things necessary or requisite to effect such resignation(s).

Termination of this appointment carries no entitlement to compensation or payment in lieu of notice.

Outside interests

By accepting this appointment you will be deemed to confirm that any other positions you hold and your directorships in other organisations will not give rise to any conflicts of interest in relation to your appointment as a non-executive Director of the Society. Should you become aware of any conflict or potential conflict during your appointment, you must notify the Secretary of the Society as soon as possible.

You shall notify the Society in writing immediately if you intend to take up any directorship, consultancy or other business role at any time during the term of your appointment as a non-executive Director of the Society and seek the consent of the Chairman or, if he is not available, the Deputy Chairman (who will give or refuse approval as he shall deem appropriate, for subsequent ratification by the Board).

Role

You shall at all times during the period of your appointment:

- (a) undertake to devote such time to the business of the Society, including your attendance at Board meetings and Committee meetings and meetings of members of the Society, as is required to perform your duties as a non-executive Director; and
- (b) keep the Board promptly and fully informed (in writing if so requested) of all matters relating to conduct of the business or affairs of the Society arising during the course of your appointment and provide such explanations as the Board may require.

Non-executive Directors have the same general legal responsibilities to the Society as any other Director. The Board as a whole is collectively responsible for the success of the Society. The Board:

- provides entrepreneurial leadership of the Society within a framework of prudent and effective controls which enable risk to be assessed and managed;
- sets the Society's strategic aims, ensures that the necessary financial and human resources are in place for the Society to meet its objectives, and reviews management performance; and
- sets the Society's values and standards and ensures that its obligations to its members and others are understood and met.

All Directors must take decisions objectively in the interests of the Society.

In addition to these requirements of all Directors, the role of the non-executive Director has the following key elements:

- **Strategy.** Non-executive Directors should constructively challenge and help develop proposals on strategy;
- **Performance.** Non-executive Directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- **Risk.** Non-executive Directors should satisfy themselves as to the integrity of financial information and that financial controls and systems of risk management are robust and defensible; and
- **People.** Non-executive Directors are responsible for determining appropriate levels of remuneration of executive Directors and have a prime role in appointing, and where necessary removing, executive Directors and in succession planning.

Fees

The fees payable to you in your role as a Director of the Society will be as follows:

A fee of £[] per annum payable on a pro-rata basis monthly in arrears, reviewable on an annual basis.

No pension benefit is added for non-executive Directors.

The Society shall reimburse you all travelling, hotel, entertainment and other expenses properly and reasonably incurred by you in the proper performance of your duties subject to the production to the Society of such vouchers or other evidence of actual payment of the expenses as the Society may reasonably require.

Confidentiality

All information acquired during your appointment is confidential to the Society and should not be used or exploited, except for the benefit of the Society or in compliance with an order of a court, either during your appointment or following termination (by whatever means).

As soon as reasonably practicable following termination of this appointment you will deliver to the Society all documents (including copies) relating to the Society (including without limitation all documents prepared by you) then in your possession.

Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. You should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Secretary of the Society.

Independent professional advice

You should inform the Secretary of the Society in advance if you wish to take independent professional advice about a matter concerning the Society. The Secretary will note the intention to request advice and provide guidance as to appropriate professional advisers to be approached so as, for example, to avoid conflicts of interest. The Society will then be on notice of the intention to ask the Society to meet the payment of the invoices in respect of

the advice. For this reason, if you take such advice you should again consult the Secretary and obtain approval if the fees and expenses you so incur exceed £5,000.

Insurance

The Society has effected Directors' and officers' liability insurance and details of this can be obtained from the Secretary of the Society.

May I ask you to return the attached copy of this letter to confirm your agreement to appointment on these terms.

Yours sincerely

Chairman