

DATED 14th January 2005

Primo plc

Non-statutory client money trust

(Client Assets Sourcebook CASS 5.4)

DEED OF TRUST

T H I S D E E D is made this 14th January 2005 by Primo plc ("the Firm")
Of Cumberland House, Baxter Avenue, Southend-on-Sea, Essex SS2 6HZ

RECITALS

(1)The Firm carries on business involving insurance mediation activity as
defined in the Financial Services Authority's Handbook

(2)To meet the requirements prescribed in Chapter 5 of the Client Assets
Sourcebook forming part of that Handbook the Firm intends by this Deed
to constitute with effect from 14 January 2005 (or, if later, the date
of execution of this Deed) and set out the terms of a non-statutory
client money trust on which any client money will be held by the Firm

(3)This Deed when effective is the trust deed referred to in paragraph CASS
5.4.6R of that Client Assets Sourcebook

OPERATIVE PROVISIONS

I.In this Deed expressions defined in the Handbook as in force on the date
of this Deed have those defined meanings. However, for the purposes of
this Deed *money is client money* where:

1.in relation to an activity specified in CASS 5.2.3R(1)(a) to (c) the
insurance undertaking has agreed that the Firm may treat *money*
which it receives and holds as agent of the *undertaking* as
client money and in accordance with the provisions of CASS 5.3
to 5.6. and

2.the agreement referred to in the previous sub-clause is in writing and
adequate to show that the *insurance undertaking* consents to its

interests under the trusts constituted by this Deed being subordinated to the interests of the Firm's other *clients* (other than *clients* which are *insurance undertakings* when acting as such).

II. This Deed will become effective only on and with effect from 14 January 2005 or if later the date of execution of this Deed. Until 14 July 2005 the Firm may (a) treat as its *client* any *insurance undertaking* (when acting as such) with whom the Firm conducts *insurance mediation activity* and which has not made any such agreement with the Firm as specified in CASS 5.1.5AR(1), and (b) keep in a *client bank account* any money held by the Firm in accordance with an agreement made with such an *insurance undertaking* under paragraph CASS 5.2.3R; and until the earlier of 14 July 2005 or it has made with the Firm an agreement complying with CASS 5.1.5AR(1) such an *insurance undertaking* shall be treated for the purposes of clause 4(2) as being a *client* which is not an *insurance undertaking*, and this Deed shall be construed and take effect accordingly

III. As and from the date when this Deed becomes effective in accordance with the previous clause the Firm constitutes itself a trustee of the *client money* received and held by the Firm on the terms set out in

IV. Any money (including any *designated investments*) which for the time being is held on the trusts of this Deed is held:

1. for the purposes of and on the terms of (a) paragraphs CASS 5.4 and (so far as applicable as set out below) 5.5 of the Client Assets Sourcebook and (b) the *client money (insurance) distribution rules*;
 2. (subject to clause 4.3 below) for (a) the *clients* (other than *insurance undertakings* when acting as such) for whom that money is held according to their respective interests in it, and (b) after all claims in sub-clause (a) have been met, for *clients* which are *insurance undertakings* according to their respective interests in it;
 3. on *failure* of the Firm, for the payment of the costs properly attributable to the distribution of the *client money* in accordance with clause 4.2 above); and
 4. after all valid claims and costs under clauses 4.2 and 4.3 above have been met, for the Firm itself
- V. For the avoidance of any doubt the trust hereby constituted extends to, and makes subject to the trusts set out in the previous clause all *client money* subject to clause 3 above and also:

1. the money which is for the time being held to the credit of any of the accounts opened by the Firm as a *client bank account* and used for segregating *client money* for the purposes of this Deed;
- 2.any debt obligations which will arise if the Firm as trustee of the trust hereby constituted makes any advances to enable a client's *premium* obligations to be met before the *premium* is remitted to the Firm, or if the Firm allows claims and *premium* refunds to be paid to the client before receiving remittance of those *monies* from the *insurance undertaking*;
- 3.the benefit of any letter of credit or unconditional guarantee provided by an approved bank on behalf of the Firm to satisfy any shortfall in the Firm's client money resource (as calculated under paragraph CASS 5.5.65R of the Client Assets Sourcebook) when compared with the Firm's client money requirement (as calculated under paragraph CASS 5.5.66R or as appropriate CASS 5.5.68R of the Client Assets Sourcebook)

VI.The Firm may not make advances of credit to itself out of the *client money* trust hereby constituted, and accordingly may not withdraw *commission* from the *client money* trust before it has received the *premium* from the *client* in relation to the *non-investment insurance contract* which generated the *commission*. Subject to this the Firm is authorised as trustee to make advances of credit to the Firm's *clients*, and as such trustee has power to make advances or give credit

from *client money*. Further, the Firm may draw down *commission* from the *client bank account*, and may do so before payment of the *premium* to the *insurance undertaking*, if it has received the *premium* from the *client* and also the drawing down of the *commission* is consistent with the terms of business of the *insurance undertaking* to whom the *premium* is payable

VII. The Firm has power to invest and in particular to take advantage of CASS 5.5.14R, but any funds subject to the trusts of this Deed which are to be invested must be managed with discretion by a *firm* which has the necessary *permission*

VIII. Any interest or investment returns earned on or derived from the Firm's holding of *client money* or segregated *designated investments* shall belong to the Firm which shall not be bound to account for the same to any other person. However this is subject and without prejudice to any other agreement which the Firm may make with any such other person, and in relation to any *retail customer* only applies either:

1. in respect of any interest earned on *client bank accounts*, if the Firm has reasonable grounds to be satisfied that in relation to *insurance mediation activities* carried on with or for the *retail customer* the amount of interest will be not more than £20 per transaction, or
2. if and to the extent that the *client's* informed consent has been obtained to that treatment of interest and/or investment returns

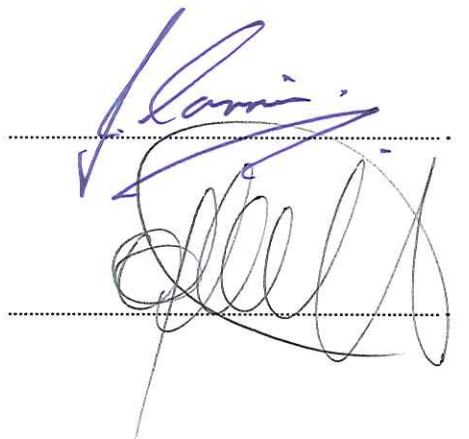
IX. The Firm may at any time and from time to time by deed supplemental to

this Deed amend the terms of this Deed to enable the trusts hereby constituted to continue to comply with the requirements for the time being set out in the Handbook as in force from time to time for a non-statutory client money trust, PROVIDED that no amendment may be made after *failure* of the Firm and no amendment may be made which diminishes or materially affects adversely the existing beneficial interest of any *client* in any part of the funds for the time being subject to the trusts of this Deed

X. Save where expressly precluded from doing so by the terms of this Deed the Firm may exercise in relation to any property or assets for the time being subject to the trusts of this Deed any and all powers permitted in accordance with paragraphs CASS 5.4 and CASS 5.5 of the Client Assets Sourcebook, including in particular the power set out in paragraph 5.5.8R of segregating *client money* in a different currency from that of receipt

IN WITNESS of which the Company has executed this Deed and has delivered it upon dating it

EXECUTED as a Deed by Primo plc acting by two directors:



Two handwritten signatures in blue ink are positioned over two horizontal dotted lines. The top signature is more legible and appears to read 'J. Harris'. The bottom signature is more stylized and cursive.