



11 January 2002

Dear Policyholder,

You may remember that I wrote to you recently as you have a contract in the Free Standing Additional Voluntary Contribution (FSAVC) Scheme, the Trustees of which have a vote by number and value in the non-GAR voting classes of the compromise scheme. As I outlined in my letter, the Trustee of the FSAVC Scheme is the Society and therefore to ensure an impartial vote your Board appointed a third party, The Law Debenture Pension Trust Corporation plc (Law Debenture), to vote on your behalf.

In my letter I also made a commitment to write to you informing you of how Law Debenture voted. The voting procedure closed today, Friday 11 January, and it has been confirmed that the FSAVC Scheme voted 100% in favour of the compromise scheme in both the non-GAR classes.

Law Debenture have asked us to say that "having taken legal and actuarial advice specific to the interests of the FSAVC Scheme and after careful consideration, they decided that a 100% vote in favour of the compromise scheme in both the non-GAR classes was in the best overall interests of holders of contracts in the FSAVC Scheme as a whole".

The value of these votes will now be calculated as at 11 January along with those of all other policyholders who voted in the non-GAR voting classes and the GAR class. This calculation will take around two weeks to count due to its complexity as applied to some policies and the sheer scale of the vote. We anticipate a result by the end of January at which point, assuming the necessary majorities by number and value have been achieved in each voting class, the compromise scheme will go before the High Court for sanctioning.

You can keep up-to-date on progress on the compromise scheme by visiting the Society's website at www.equitable.co.uk and clicking on the compromise scheme link.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Charles Thomson'.

Charles Thomson
Chief Executive