

Date: 21 December 2010

Variation of conditions made under a change of control under Part XII FSMA 2000 (as amended) (FSMA). The original conditions were imposed when the original application was determined and were reflected in the FSA's Final Notice dated 28 August 2009.

Phoenix Group Holdings
Phoenix Life Holdings Limited
TDR Capital Nominees Limited
TDR Capital LLP
Jambright Limited
Xercise Limited
(together, the 'Controllers')

Phoenix & London Assurance Limited
Phoenix Life Limited
Phoenix Pensions Limited
Pearl Assurance Limited
National Provident Life Limited
NPI Limited
London Life Limited
(together, the 'Life Firms')

London Life Limited
NPI Limited
Pearl Assurance Limited
National Provident Life Limited
Pearl Group Management Services Limited
Phoenix Life Limited
Phoenix Pensions Limited
Phoenix & London Assurance Limited
BA (GI) Limited
PA (GI) Limited
Scottish Mutual Investment Managers Limited
Scottish Mutual PEP & ISA Managers Limited
Ignis Fund Managers Limited
Ignis Investment Services Limited
Argonaut Capital Partners LLP
Cartesian Capital Partners LLP
Hexam Capital Partners LLP
(together, the 'Target Firms')

1. The FSA decided on 28 August 2009 to approve the Controllers' acquisition and control of the Target Firms, but with certain conditions including conditions to ensure that the Life Firms will be able to comply with their prudential requirements (including threshold conditions). The main conditions were that:
 - The capital management policies in place for the Life Firms will be maintained and will not be amended without the prior written agreement of the FSA.
 - Phoenix Life Holdings Limited maintains group capital resources of at least 125% of its group capital resources requirement.

The FSA required that the conditions remain in place until 31 December 2016.
2. On 9 July 2010 a Controller (on behalf of all) applied to the FSA to vary one of the conditions. The FSA has the power to vary conditions under section 187(4) FSMA. The FSA has exercised its power to vary one of the conditions as follows:
 - The condition requiring Phoenix Life Holdings Limited to maintain group capital resources of at least 125% of its group capital resources requirement is varied.
 - With effect from 21 December 2010 that condition will require that Phoenix Life Holdings Limited maintains group capital resources of at least 105% of Group WPICC plus 145% of GCRR minus Group WPICC, where:
 - GCRR refers to the firms Group Capital Resources Requirement;
 - Group WPICC refers to the amount included in the GCRR attributable to the individual WPICCs of the Life Firms; and
 - WPICC refers to "with-profits insurance capital component".
3. All other conditions set out in the Final Notice referred to above continue to apply, and will remain in place until 31 December 2016.