

BRITISH PORTFOLIO TRUST plc

Terms of Reference for the Nomination Committee

1. Constitution

The Nomination Committee was established as a Committee of the Board by a resolution of the Board on 19th June 2003.

2. Membership

- a) The Committee shall be appointed by the Board from amongst the directors not employed or formerly employed by RCM (UK) Limited ("RCM (UK)") ("the Managers") or any associated company within the Allianz Group ("independent directors") and shall consist of not less than three members. A quorum shall be two members.
- b) The Chairman of the Committee, who should not be the Chairman of the Board, shall be appointed by the Board.

3. Attendance at Meetings

- a) Other Board members shall also have the right of attendance although at least once a year the Committee shall have the right, if it so decides, to meet with the external auditors without the directors employed or formerly employed by the Managers or any associated company within the Allianz Group present.
- b) The Company Secretary shall be the Secretary of the Committee.

4. Frequency and Notice of Meetings

- a) Meetings shall be held not less than once a year.
- b) Where there are matters within the remit of the Committee additional meetings may be convened before the Board Meeting in question.

5. Authority

The Committee shall consider any matters relating to the Terms of Appointment of the Managers of the Company that it deems desirable and is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from the Managers.

6. Duties

The duties of the Committee shall be:-

- a) to carry out a regular review of the structure, size and composition of the Board and make recommendations to the Board with regard to any changes that are deemed necessary.

7. Reporting Procedures

- a) The Secretary shall circulate the Minutes of meetings of the Committee to all members of the Board.

BRITISH PORTFOLIO TRUST PLC

Schedule of Matters reserved for the Board Adopted by the Directors on 14th February 2002

1. **Appointment of Directors**

Board appointments and removals.

2. **Appointment of Committees**

Terms of reference and membership of board committees.

3. **Directors' Fees**

Changes to directors' fees.

4. **Capital**

Any changes proposed to the capital structure of the company or its status as an investment company or investment trust.

5. **Acquisitions or disposals of assets**

Any acquisition or disposal of assets other than in the ordinary course of business of the company and which, in the view of the board, is material.

Acquisitions or disposals of assets in the ordinary course of business would cover the normal purchase and sale of traded endowment policies.

6. **Investment Policy**

Guidance of the Manager on investment policy .

7. **Accounting**

Adoption or change of any significant accounting policies or practices.

8. **Auditors**

Remuneration of auditors and recommendation for appointment or removal of auditors.

9. **Approval of Financial Statements**

Approval of report and accounts, interim reports and circulars to shareholders.

Page 2

10. **Dividends**

Approval of interim dividends and recommendations of final dividends and other distributions (if appropriate).

11. **Approval of all circulars to shareholders and listing particulars**

12. Approval of press releases concerning matters decided by the board

13. Appointment and removal of secretary

14. Appointment and removal of the company's Manager

15. Insurance policy proposals

16. Litigation

Prosecution, defence or settlement of litigation of material interest to the company.

17. Political or charitable donations

18. Contracts not in the ordinary course of business

19. Banking arrangements

Opening and closing of bank accounts and the approval of banking mandates.

20. Approval of internal control arrangements

British Portfolio Trust plc

Terms of Reference for the Audit Committee

1. Constitution

The Audit Committee was established as a Committee of the Board by a resolution of the Board on 9th October 2001.

2. Membership

- a) The Committee shall be appointed by the Board from amongst the directors not employed or formerly employed by RCM (UK) Limited ("the Managers") or any associated company within the Allianz Group ("independent directors") and shall consist of not less than three members. A quorum shall be two members.
- b) The Chairman of the Committee shall be appointed by the Board.
- c) The Company Secretary shall be the Secretary of the Committee.
- d) The Board may appoint persons other than directors ("co-opted members") to the Committee (Article 87).

3. Attendance at Meetings

- a) Other Board members shall also have the right of attendance, although at least once a year the Committee shall meet with the external auditors without the directors employed or formerly employed by the Managers or any associated company within the Allianz Group ("non-independent directors") present.

4. Frequency of Meetings

- c) Meetings shall be held not less than twice a year. The external auditors may request a meeting if they consider that one is necessary.

5. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from the Managers.

6. Duties

The duties of the Committee shall be:-

- a) to discuss with the auditors the nature and scope of the audit;
- b) to review annual financial statements before submission to the Board, focusing particularly on:-

- 2 -

- i) the valuation of any unquoted investments
 - ii) the rationale, where relevant, for the ownership of shares in the management company, or investment in any enterprise managed by the Managers
 - iii) any changes in accounting policies and practices
 - iv) significant adjustments resulting from the audit
 - v) the going concern assumption
 - vi) compliance with accounting standards
 - vii) compliance with stock exchange and legal requirements.
- c) to receive an annual report from the company's auditors and have the opportunity to discuss or question the auditors or discuss any matters they wish to raise without the Managers present;
- d) to review the Company's statement on internal control systems prior to endorsement by the Board;
- e) to receive a report from the Managers each year confirming that the Managers have conducted the company's affairs in compliance with the Client Agreement Letter;
- f) to receive a report from the Managers on any untoward events or formal complaints recorded in connection with any Savings Scheme or similar products in which the company participates;
- g) to consider other topics, as defined by the Board.

7. Reporting Procedures

- b) The Secretary shall circulate the Minutes of meetings of the Committee to all members of the Board.

BRITISH PORTFOLIO TRUST plc

Terms of Reference for the Management Engagement Committee

1. Constitution

The Management Engagement Committee was established as a Committee of the Board by a resolution of the Board on 19th June 2003.

2. Membership

a) The Committee shall be appointed by the Board from amongst the directors not employed or formerly employed by RCM (UK) Limited ("RCM (UK)") ("the Managers") or any associated company within the Allianz Group ("independent directors") and shall consist of not less than three members. A quorum shall be two members.

b) The Chairman of the Committee shall be appointed by the Board.

3. Attendance at Meetings

a) Other Board members shall also have the right of attendance although at least once a year the Committee shall have the right, if it so decides, to meet with the external auditors without the directors employed or formerly employed by the Managers or any associated company within the Allianz Group present.

b) The Company Secretary shall be the Secretary of the Committee.

4. Frequency and Notice of Meetings

d) Meetings shall be held not less than once a year.

e) Where there are matters within the remit of the Committee additional meetings may be convened before the Board Meeting in question.

f) Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman of the Committee.

5. Authority

The Committee shall consider any matters relating to the Terms of Appointment of the Managers of the Company that it deems desirable and is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from the Managers.

6. Duties

The duties of the Committee shall be:-

a) to carry out an annual review of the terms of the Management Agreement;

b) to review the level of the management fee and the length of the management contract and make recommendations to the Board.

c) to consider other topics, as defined by the Board i.e. Chairman's remuneration.....

7. Reporting Procedures

- c) The Secretary shall circulate the Minutes of meetings of the Committee to all members of the Board.