

Conformed Copy

15th June 1998

International Swaps and Derivatives Association, Inc
One New Change
London
EC4M 9QQ

Dear Sirs

EMU Protocol - Adherence

The purpose of this letter is to confirm our adherence to the ISDA EMU Protocol as published by the International Swaps and Derivatives Association, Inc on 6th May, 1998 (the "Protocol").

This letter constitutes an Adherence Letter as referred to in the Protocol. The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which supplements and forms part of each ISDA Master Agreement between us and each other Adhering Party.

1. Specified Terms

Annex 1	ISDA EMU Continuity Provision	Applicable
Annex 2	Price Sources	Applicable
Annex 3	Payment Netting	Applicable
Annex 4	EMU Definitions	Applicable
Annex 5	Bond Options	Applicable

2. Appointment as Agent and Release

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive, and hereby release ISDA from, any rights, claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.

3. **Payment**

We enclose payment of US\$500, or represent that we have previously made payment of that amount to you, in respect of our adherence to the EMU Protocol.

4. **Contact Details**

Our contact details for purposes of this Adherence Letter are:

Name: Ronald Friend

Address: Abbey House
Baker Street
London NW1 6XL

Telephone: +44 171 612 4636

Fax: +44 171 612 4581

We consent to the publication of the conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully

Scottish Mutual Assurance plc

By: /s/
Name: Colin M. Mackie
Title: Director

By: /s/
C Ramsay
Company Secretary