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Atlas Air Conditioning Limited SSAS

DEED OF AMENDMENT
ADOPTING NEW
DEFINITIVE TRUST DEED AND RULES

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Solicitors
24/4/0

**DEED OF AMENDMENT ADOPTING NEW DEFINITIVE TRUST DEED AND
RULES**

OF THE

Atlas Air Conditioning Limited SSAS

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THIS DEFINITIVE TRUST DEED AND RULES is made the
day of 200... *Place date*

BETWEEN

1. **ATLAS AIR CONDITIONING LIMITED** (Company No. SC145391)
whose registered office is at Suite 1/2 Copland House 130 Edmiston Drive Glasgow G51 2YX
(the "Principal Employer") and
2. **STUART JAMES HEAD**
of *X* *Stuart James Head* *7 Baronscourt Gardens Paisley PA1 2TS*
(Home Address)
GRAHAME JOHN BELL
of *X* *Graham John Bell*
(the "Trustees") and *2 Kilmarston Way, Dr., Bearsden, G61 3PD*
(Home Address)
3. **NAMULAS PENSION TRUSTEES LIMITED** (Company No. 980864)
whose registered office is at The Priory Hitchin Hertfordshire SG5 2DW (the "Pensioneer Trustee").

INTRODUCTION

- (a) This Deed is supplemental to the trust deed and rules dated 08 August 1995 (as subsequently amended) by which the Atlas Air Conditioning Limited SSAS (the "Scheme") is currently governed.
- (b) The Trustees and the Pensioneer Trustee are the current trustees of the Scheme.
- (c) As from 6 April 2006 it will no longer be a requirement for the Scheme to have a pensioneer trustee. Accordingly, the Pensioneer Trustee wishes to resign as a trustee of the Scheme with effect on and from 5 April 2006 and has given one month's notice of its resignation to the Principal Employer.
- (d) The parties to this deed wish to cancel the existing provisions of the Scheme and to replace them with the provisions adopted by this deed with effect from 6 April 2006.
- (e) The terms defined and general interpretation provisions in Rule 1 of the Schedule to this deed have the same meaning in this deed.
- (f) All the Members of the Scheme have consented to the amendments made by this deed. Each of these Members is a Trustee and their consent is indicated by executing this deed.

OPERATIVE PROVISIONS

1. With effect from 5 April 2006 the Pensioner Trustee shall cease to be a trustee of the Scheme and the Trustees shall be the ongoing trustees of the Scheme and shall together act as the Scheme Administrator.
2. The Trustees at the direction of the Principal Employer declare that on and from the 6 April 2006 the following provisions of the Deed and the Rules shall be the provisions governing the Scheme to the exclusion of the provisions previously in force. The Trustees and the Pensioner Trustee confirm that this deed and its execution complies with the requirements of the previous provisions of the Scheme.
3. Any act or omission of the Trustees or the Pensioner Trustee before the date of this deed which would have been valid if this deed had been in force at the time of that act or omission shall be deemed to be valid and Clause (Trustee liability) applies in relation to any such act or omission.

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1. **INTRODUCTION**

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1.1 **Interpretation**

The general interpretation provisions and the definitions in Rule 1 (Interpretation) apply throughout this Deed and the Rules contained in the Schedule to it.

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1.2 **Constitution of the Fund**

The Trustees shall hold all the assets of the Scheme and any income, cash or other assets received for the purposes of the Scheme on trust to be used in accordance with the provisions of this Deed. The assets held on trust by the Trustees for the purposes of the Scheme shall constitute the Fund.

1.3 **Applicable law**

The law of England and Wales applies to this Deed and to the Scheme and its administration.

2.

TRUSTEES

2.1

Appointment and removal of Trustees

- 2.1.1 The Principal Employer may by deed at any time remove all or any of the Trustees or appoint new or additional Trustees (without any limit on numbers) or a corporate body as a sole, new or an additional Trustee (whether or not it is a trust corporation) provided that, unless there is a corporate body acting as a sole Trustee, there are at all times at least two Trustees.
- 2.1.2 A Trustee may resign from office by giving at least one month's written notice to the Principal Employer (or such shorter period of notice as the Principal Employer may permit). The resigning Trustee must take such other action as the remaining Trustees reasonably require.
- 2.1.3 Unless the Trustees and the Principal Employer agree otherwise, the Principal Employer shall exercise its powers under this Clause to ensure that all Members are Trustees of the Scheme.
- 2.1.4 If any vacancy occurs in the number of Trustees from time to time and the Principal Employer has not filled that vacancy within three months after it occurs, the remaining Trustees shall have the power by deed to appoint an additional trustee to fill that vacancy.

2.2

Remuneration of Trustees

The Trustees may be paid such remuneration (if any) for fulfilling the role of Trustee as may be agreed with the Principal Employer. Such remuneration shall be paid from the Fund except to the extent that the Principal Employer agrees that one or more of the Employers shall pay it. Any such remuneration shall not exceed the amount which would be acceptable for an arms length transaction taking into account the knowledge and experience of the Trustee nor shall it exceed an amount which is permitted to be paid as an authorised payment under the Finance Act 2004.

2.3

How Trustees may act

- 2.3.1 Where there is a corporate body acting as sole Trustee, it shall act in accordance with its Memorandum and Articles of Association.
- 2.3.2 Where Clause 2.3.1 does not apply, the Trustees shall meet together (including by telephone) for business, adjourn and otherwise regulate their meetings as they think fit. All decisions of the Trustees in relation to the Scheme require the unanimous agreement of all Trustees who are Members of the Scheme unless, with the consent of the Principal Employer, the Trustees decide that decisions shall only require the agreement of all Trustees present at the meeting at which the decision is taken. A written resolution, whether in counterpart or otherwise, signed by all of the Trustees shall be as effective as one passed at a meeting of the Trustees.

2.4 Personal interests

Any act or decision of the Trustees shall be valid even where a Trustee (or a director of a corporate Trustee) had an interest in that act or decision and any Member who is a Trustee shall be entitled to retain any beneficial interest or entitlement under the Scheme.

2.5 Trustee liability

- 2.5.1 Subject to the following paragraphs of this Clause a Trustee shall not be liable for any act, omission or breach of trust nor for any act or omission of any agent, delegate or nominee of the Trustee.
- 2.5.2 Subject to the following paragraphs of this Clause, each Trustee shall be indemnified by the Principal Employer against all liabilities, costs and expenses incurred by him in the management and administration of the Scheme. If the Principal Employer so decides each of the Trustees shall be indemnified by the Employers in such shares as the Principal Employer may determine.
- 2.5.3 Subject to the following provisions of this Clause, if the Principal Employer (or, relevant, the Employer) fails to indemnify the Trustees within a reasonable time after a demand in writing, each of the Trustees shall be indemnified out of the Fund to the extent necessary to meet the liabilities referred to in 2.5.2 above.
- 2.5.4 A Trustee shall not be entitled to an indemnity from the Fund against any
- (a) liability to pay any fine or penalty under Section 168(4) of the Pension Schemes Act 1993 or Section 10 of the Pensions Act 1995;
 - (b) any fine imposed by way of penalty for an offence relating to the Scheme of which he is convicted ; or
 - (c) any liability which cannot by virtue of Section 33 of the Pensions Act 1995 be excluded or restricted
- 2.5.5 Nothing in this Clause shall apply to any liability arising out of a Trustee's knowing or intentional breach of trust.
- 2.5.6 Any Trustee who is also a director of the Principal Employer or of an associated company (as defined in Section 309A of the Companies Act 1985) of the Principal Employer shall not be entitled to an indemnity from the Principal Employer under this Clause to the extent that such an indemnity is prohibited by legislation.
- 2.5.7 For the purposes of Clauses 2.5.1 to 2.5.6 above, the Trustees shall include any former Trustee including those who left office prior to the effective date of this Deed and any current or former director or officer of a corporate body acting as Trustee

2.6 Liability insurance

- 2.6.1 The Trustees may obtain insurance against liability for any act or omission in relation to the Scheme and may insure the Scheme against claims by beneficiaries who are not known to the Trustees or whom the Trustees have been unable to

contact and may charge all premiums relating to that insurance as an expense recoverable out of the Fund. Such insurance may cover any current or former Trustee and any current or former director or officer of a corporate body acting as a Trustee. However, premiums may not be recovered from the Fund to the extent insurance covers any liability to pay any fine or penalty under Section 168(4) of the Pension Schemes Act 1993 or Section 10 of the Pensions Act 1995 or any fine imposed by way of penalty for an offence of which the Trustee or director is convicted.

2.6.2

There will be no exoneration or indemnity out of the Fund or by the Principal Employer (or the Employers) under Clause 2.5 above to the extent that the Trustees (or the director) have successfully recovered under an indemnity under an insurance arrangement.

3. ADMINISTRATION

3.1 Power to delegate

- 3.1.1 The Trustees may delegate any of their powers (discretionary or otherwise) and duties to a committee of the Trustees or to any one or more persons (whether or not a Trustee) on such terms (including payment) as the Trustees may determine. The power to delegate includes the power to allow sub-delegation.
- 3.1.2 The Trustees may appoint a secretary (including one with power to sign certificates, make declarations and operate bank accounts on behalf of the Trustees) and may employ such other staff and agents as they deem appropriate for the proper administration of the Scheme and on such terms as they consider appropriate.
- 3.1.3 Subject to Clause 3.1.4 the Trustees shall be the Scheme Administrator for the purposes of Section 270 of the Finance Act 2004.
- 3.1.4 With the consent of the Principal Employer, the Trustees may agree with another person for that person to become the Scheme Administrator (whether in replacement of or in addition to the Trustees) and such person shall become the Scheme Administrator on complying with any requirements under section 270 of the Finance Act 2004.

3.2 Scheme advisers

- 3.2.1 The Trustees may appoint and remove any actuary, lawyer, broker, valuer, accountant or other professional adviser to the Scheme on such terms as they consider appropriate.
- 3.2.2 The Trustees may act on the advice or opinion of any adviser appointed under this Clause and shall not be responsible for any loss caused by doing so.

3.3 Expenses of administration

- 3.3.1 Subject to Clause 3.3.2, the Trustees shall be reimbursed by the Principal Employer for all liabilities, costs and expenses incurred by them in the management and administration of the Scheme. The Principal Employer shall be entitled to be reimbursed by each of the Employers in respect of those liabilities, costs and expenses referred to above in such proportion as the Principal Employer shall decide.
- 3.3.2 Where any liabilities, costs and expenses are not reimbursed by the Principal Employer within a reasonable time after a demand in writing from the Trustees, the Trustees shall be entitled to be reimbursed directly from the Fund.
- 3.3.3 Where permitted by law, the Trustees may recover any such liabilities, costs and expenses from a Member or other beneficiary whether by a reduction in the Member's Personal Account, a reduction in benefits due under the Scheme, a direct payment by the Member or beneficiary or otherwise.

3.4 Accounts

The Trustees shall cause proper accounts to be kept, and an account and balance sheet of the Fund made up to the accounting date in each year shall be prepared and, where required by section 49 of the Pensions Act 1995, audited by an auditor appointed by the Trustees. The accounting date shall be determined by the Trustees.

3.5 Notices

3.5.1 Any notice to the Trustees shall, in relation to a corporate body acting as sole Trustee, be sent to the registered office of the Trustee or, where there is more than one Trustee, be sent to the last known address of the secretary to the Trustees or the chairman of Trustees or to the last known address of all of the Trustees. Any notice to the Trustees shall be deemed to be served at the time it is received.

3.5.2 Any notice to any Member, or other person entitled to any benefit shall be sent to his last known address. If such notice is delivered by hand, it shall be deemed to have been served at the time of delivery. Any such notice posted by first class shall be deemed to be served on the second day after it was posted and any such notice posted by second class post shall be deemed to have been served on the fifth day after it was posted.

3.5.3 Notwithstanding the previous provisions of this Clause, the Trustees may use and may at their discretion accept the use by any person of any communication sent by electronic means including by facsimile, e-mail or telephone text message and any such communication shall be deemed to be served at a time determined by the Trustees.

3.5.4 The Trustees may at their discretion accept any notice as being validly given notwithstanding that it was not given in writing or did not satisfy any notice period required under this Deed or under legislation.

3.6 Power to bind the Scheme

The Trustees may enter into such agreements and give such undertakings, indemnities or guarantees, as the Trustees shall, in their absolute discretion, decide are proper for the efficient administration of the Scheme. For the avoidance of doubt, unless otherwise stated such agreements, undertakings, indemnities or guarantees shall bind the successors in office to the Trustees who entered into those agreements or who originally gave such undertakings, indemnities or guarantees.

3.7 Questions of fact and interpretation

Except where expressly stated otherwise, the Trustees have the final decision on all questions or disputes regarding the meaning or interpretation of this Deed and shall determine all issues or questions of fact in relation to the administration of the Scheme.

3.8 Power to commence, settle and defend proceedings

In addition to the powers conferred on the Trustees by general law, the Trustees may commence and pursue legal proceedings relating to the operation of the Scheme, their actions as Trustees or the rights of beneficiaries under the Scheme and may defend any such proceedings. The Trustees have complete discretion to settle, compromise or submit to mediation or arbitration any claim or other matter relating to the Scheme.

3.9 Confidentiality

Subject to the requirements of any legislation or to any order of the court or direction of the Pensions Ombudsman, the Trustees shall be entitled to refuse to disclose to any Member or other actual or potential beneficiary the whole or any part of any documents, minutes, records or other data in their possession and shall not be obliged to provide the reasons for any decision of the Trustees, whether discretionary or otherwise.

4. FORFEITURE AND ALIENATION

4.1 Charges, lien and set-off

- 4.1.1 The Employer and the Trustees shall be entitled to a charge over, lien on or set-off against any benefit to which a Member is or may become entitled for the purpose of enabling the Employer or the Trustees to obtain the discharge of some monetary obligation due from the Member to the Employer or the Trustees and arising out of a criminal, negligent or fraudulent act or omission by the Member, or other beneficiary, or if he is a Trustee, arising out of his breach of trust (unless the Trustee's liability for breach of trust is excluded under Clause 2.5 (Trustee liability)).
- 4.1.2 Where a charge, lien or set-off is imposed under this Clause:
- (a) its amount must not exceed the amount of the monetary obligation, or, if less, the value of the benefit;
 - (b) the Trustees shall determine the impact on the benefits otherwise payable to the Member;
 - (c) the Member must be given a certificate showing the amount of the charge, lien or set-off and its effect on his benefits;
 - (d) where there is a dispute about the amount, the charge, lien or set-off must not be exercised until the obligation has become enforceable under a court order or an award of an arbitrator, but the Trustees may suspend payment of any benefits until the dispute is resolved; and
 - (e) the charge, lien or set-off cannot be exercised in respect of benefits received following a transfer from a Registered Pension Scheme except where the scheme is attributable to employment with the same Employer or an associated employer and the benefits of which could have been charged or a lien or set-off exercised in respect of them under the scheme from which they were transferred.

4.2 Crime, negligence or fraud

If a Member owes money to his Employer as a result of his criminal, negligent or fraudulent act or omission, the Trustees may forfeit the benefits payable to or in respect of him. The amount forfeited must not exceed the amount of the debt or, if less, the actuarial value of the benefits. If there is a dispute about the amount of the debt, forfeiture must not take place until the debt has become enforceable under a court order or the award of an arbitrator. The Trustees may suspend payment of any benefits until the dispute has been resolved. The Member must be given a certificate showing the amount forfeited and the effect on his benefits. The amount forfeited may, if the Trustees so decide, be paid to the Employer.

4.3 Restrictions on alienation and forfeiture

4.3.1 Subject to Clause 4.3.3, no benefit arising under the Scheme shall be capable of being assigned or applied for the benefit of anyone other than the person entitled or prospectively or contingently entitled to it, and:

- (a) every assignment of, or charge on, any such benefit and any agreement to assign or charge it shall be void, and
- (b) on the bankruptcy of any such person, the benefit shall not pass to any trustee or other person acting on behalf of the creditors of the person entitled.

4.3.2 Subject to Clause 4.3.3, upon any attempted assignment, the Member shall cease to be entitled to any benefits which he may otherwise expect to receive under the Rules but the Trustees may with the consent of the Employer then apply an amount equal to such benefits for the benefit of the Member or his Dependents in such shares and proportions as they think fit.

4.3.3 The provisions of this Clause do not apply to any assignment or charge permitted in this Deed or in accordance with:

- (a) legislation in relation to pension rights of individuals adjudged bankrupt
- (b) Chapter I of Part IV of the Welfare Reform and Pensions Act 1999 (Sharing of rights under pension arrangements); or
- (c) Sections 166 or 167 of the Pensions Act 1995 (Pensions on divorce).
- (d) Schedule 5 to the Civil Partnership Act 2004

or, subject to the consent of the Trustees, as otherwise permitted under Section 172A of the Finance Act 2004 (Surrender).

4.4 Excess contributions on bankruptcy

Where a court order has been made in relation to a Member under Chapter V of Part IX the Insolvency Act 1986 (Effect of Bankruptcy on Certain Rights, Transactions, etc), the Trustees may take all steps as are necessary to comply with such an order, including making such adjustments in relation to benefits payable to or in respect of the Member as they consider necessary.

5. INVESTMENT

5.1 Power of investment

- 5.1.1 The Trustees shall have the same full and unrestricted powers of investing and changing investments as if they were the beneficial owners of the Fund. All money held in or for the purposes of the Fund shall be placed in an account with a bank or invested in such other manner as the Trustees may determine, whether involving liability or not, and whether producing income or not, and with or without security.
- 5.1.2 All investments shall be held in the names of the Trustees or in the name of a nominee or agent appointed by the Trustees on such terms as the Trustees may decide are appropriate.
- 5.1.3 The Trustees shall not in any event invest in employer-related investments (as defined in Section 40 of the Pensions Act 1995) except with the written consent of each Member and only to the extent permitted by legislation.
- 5.1.4 The Trustees power of investment includes a power to lend money to such persons (other than a Member or beneficiary) and on such terms as the Trustees decide. Subject to Clause 5.1.3 such a loan may be to the Principal Employer or any other Employer but only where such a loan is authorised under section 179 of the Finance Act 2004.
- 5.1.5 The Trustees may appoint one or more investment managers to invest part of the Fund on such terms as the Trustees shall decide.
- 5.1.6 Where one or more of the Trustees is not a Member of the Scheme, only those Trustees who are Members may exercise the power of investment under this Clause.

5.2 Power to borrow and to insure

- 5.2.1 Subject to the requirements of any relevant legislation, the Trustees with the consent of the Principal Employer may borrow money required for the purposes of the Scheme to the same extent as if they were the beneficial owners of the Fund provided that such borrowing may not exceed the limits for unauthorised borrowing under Section 182 (Unauthorised borrowing: money purchase arrangements) of the Finance Act 2004.
- 5.2.2 The Trustees may insure the Fund, or any individual asset or investment of the Fund (including any risks which may arise in the course of holding any investment).

6. POWERS AND OBLIGATIONS OF THE EMPLOYERS

6.1 Powers of Employers

- 6.1.1 In exercising any discretionary power or giving any consent under this Deed, the Principal Employer or any other Employer shall not be required to consider anything except its own interests.
- 6.1.2 If the Principal Employer goes into liquidation all powers and consents otherwise exercisable by the Principal Employer under this Deed shall instead be fiduciary and shall be exercised or given by the Trustees but only for the period prior to the appointment of any new Principal Employer in accordance with Clause 7.2 (Substitution of Principal Employer).
- 6.1.3 If in respect of any Member a power or consent is expressed to be exercisable by the Employer of that Member but that employer no longer participates in the Scheme, such power or consent shall be exercisable by the Principal Employer.

6.2 Termination of employment

Nothing in this Deed shall restrict the rights of the Employer to terminate the employment of a Member. The benefits to which a Member might claim to be entitled from the Fund in respect of a period after his contract of service could lawfully be terminated shall not be used as a ground for increasing damages in any action brought by such Member against the Employer.

7. PARTICIPATION OF EMPLOYERS

7.1 Participation by employers

- 7.1.1 Any employer which is invited by the Principal Employer to participate in the Scheme shall participate in the Scheme with effect from a date specified by the Principal Employer provided that the employer enters into a deed with the Principal Employer and the Trustees under which it agrees to comply with the provisions of this Deed so far as they relate to it and to its Employees who become Members.
- 7.1.2 Unless the Trustees agree otherwise, an employer shall only participate in the Scheme if it is associated with the Principal Employer. For these purposes, associated means where it is controlled by the Principal Employer or it and the Principal Employer are controlled by a third person (control being determined in accordance with Section 840 of the Income and Corporation Taxes Act 1988) or where there are sufficient links between the employer and the Principal Employer for the Trustees to regard them as being associated.

7.2 Substitution of Principal Employer

- 7.2.1 Subject to the following provisions of this Clause and to the consent of the Trustees and the Principal Employer, any company, firm or person may become and assume the rights and obligations of the Principal Employer under the Scheme by executing a deed of substitution under which it undertakes to observe and comply with the provisions of this Deed.
- 7.2.2 Upon appointment of a new Principal Employer in accordance with this Clause the previous Principal Employer shall be discharged from all future obligations as Principal Employer of the Scheme and all powers or consents of the Principal Employer under the Scheme shall be exercisable by the new Principal Employer.

7.3 Employer ceasing to participate

- 7.3.1 Subject to Clause 7.3.2, an Employer will cease to participate in the Scheme on the happening of any of the following events or the expiry of any notice given in accordance with the following provisions:
- (a) the Employer ceases to be associated with the Principal Employer where it was so associated when it commenced participation (associated being as defined in Clause 7.1.2);
 - (b) the Employer goes into Insolvency;
 - (c) the Principal Employer gives written notice to the Trustees and the Employer that the Employer shall cease to participate (such notice is deemed to expire on the date specified in that notice or, where no date is specified, the date of the notice itself);
 - (d) the Employer (other than the Principal Employer) gives notice in writing to the Trustees that it intends to cease to participate in (or cease to pay contributions to) the Scheme.

- 7.3.2 Where Clauses 7.3.1(a) and 7.3.1(b) apply, the Principal Employer may permit that Employer to continue to participate in the Scheme for such period and on such terms as it may decide. Any such period may not exceed 12 months without the prior consent of the Trustees.

7.4 Consequences of an Employer ceasing to participate

- 7.4.1 Where an Employer ceases to participate in the Scheme in accordance with Clause 7.3 (Employer ceasing to participate) any Member employed by the retiring employer who was in Pensionable Service shall be deemed to have left Pensionable Service on the date of cessation of his Employer's participation in the Scheme (unless their employment transfers to another Employer with effect from that date and they remain eligible for membership of the Scheme).
- 7.4.2 When an Employer ceases to participate in the Scheme its obligation to contribute to the Scheme shall cease but any amount due from the Employer prior to cessation of participation shall remain payable.
- 7.4.3 In the event that a Member's Employer no longer participates in the Scheme the Principal Employer may give any consent in respect of that Member which would otherwise have been required under the Deed from their Employer.
- 7.4.4 Where an Employer ceases to participate due to Insolvency the Trustees may decide to wind up the appropriate part of the Fund in accordance with Clause 8.3 (Winding up) - the appropriate part being the Personal Account of each Member whose Employer is ceasing to participate.

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8. **TERMINATION AND WINDING UP**

Clause

8.1 **Power of termination**

The Scheme may be terminated by the Principal Employer by giving one month's notice in writing to the Trustees, the Employers and all the Members. From the expiration of that notice or the termination of the Scheme for any other reason, the Employers shall not be liable for any further payments to the Fund other than those payments that have become payable.

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8.2 **Termination of the Scheme**

8.2.1 The Scheme shall be terminated:

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- (a) on the expiry of notice given under Clause 8.1 (Power of termination);
- (b) on the decision by the Trustees to terminate the Scheme at any time during the Insolvency of the Principal Employer; or
- (c) in accordance with any requirement of legislation including any order of the Pensions Regulator.
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8.2.2 On the termination of the Scheme, Members then in Pensionable Service shall be treated as if their Pensionable Service had terminated and the Scheme shall be wound up.

8.2.3 Upon termination of the Scheme and prior to completion of the winding up, the Trustees must comply with the provisions of Sections 73 to 73B of the Pensions Act 1995.

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8.3 **Winding Up**

8.3.1 Upon the winding up of the Scheme, the Trustees shall apply the Fund in accordance with and in the order of the provisions of this Clause.

8.3.2 The Trustees shall set aside such part of the Fund as the Trustees decide is required to meet expenses relating to the operation and winding-up of the Scheme.

8.3.3 Each Member's Personal Account in the balance of the Fund will be applied to secure benefits in respect of that Member in accordance with Clause 8.4 (Securing benefits on winding up).

8.3.4 The balance of the Fund (if any) after applying the provisions of Clauses 8.3.2 and 8.3.3 will be used to increase the benefits provided to Members in such manner as the Principal Employer considers appropriate.

8.3.5 In the event that any amount of the Fund remains after applying the previous provisions of this Clause it shall be paid to each Employer in the ratio of each Employer's previous contributions to the Fund, but subject to compliance with any relevant requirements of the Pensions Act 1995.

8.4 Securing benefits on winding up

8.4.1 Upon the winding up of the Scheme benefits payable under the Scheme to or in respect of any Member or other beneficiary shall be secured by one or more of the following methods:

- (a) acquiring transfer credits allowed under the rules of another occupational pension scheme which satisfies requirements prescribed by legislation and is able and willing to accept payment in respect of the Member, or other beneficiary;
- (b) acquiring rights allowed under the rules of any other Registered Pension Scheme which is able and willing to accept payment in respect of the Member's accrued rights;
- (c) buying one or more annuities which satisfy requirements prescribed by legislation from one or more Insurance Companies which are willing to accept payment in respect of the Member, or other beneficiary;
- (d) assigning the benefit of one or more contracts to provide an annuity which satisfies requirements prescribed by legislation;
- (e) commuting the benefit into a lump sum payment to or in respect of the Member, or other beneficiary on such terms as the Trustees decide, provided that the lump sum satisfies the requirements of Paragraph 10 (Winding-up lump sum) or Paragraph 21 (Winding-up lump sum death benefit) of Schedule 29 to the Finance Act 2004.

8.4.2 The consent of any Member, any other recipient of a Scheme Pension payable from the Fund or any other beneficiary shall not be required in order for his benefits to be secured in accordance with this Clause provided that, in relation only to any Member who is not in receipt of a Scheme Pension, Lifetime Annuity or Unsecured Pension and who has not reached Normal Retirement Date, the Trustees must comply with any relevant conditions set out in legislation (including Regulation 12 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991).

AMENDMENTS AND AUGMENTATIONS

Power of amendment

- 9.1.1 Subject to any statutory requirements and Clause 9.1.2, the Principal Employer may direct the Trustees, by deed, to amend all or any part of this Deed (including all or any part of the Schedule to it) whether retrospectively or otherwise. Subject to Clause 9.1.2 any provisions so made shall be as valid as if they had been originally made and may be amended in the same way.
- 9.1.2 The power of amendment under this Clause is subject to the following limits:
- (a) no amendment relating to the termination of the Scheme or of any part of it shall be made without the unanimous agreement of all of the Trustees;
 - (b) no amendment may prejudice the rights or interest of any Member or other beneficiary to the extent that such interest relates to contributions paid prior to the effective date of that amendment.
- 9.1.3 References in this Clause 9 to an amendment include any alteration, addition to, repeal or replacement of any provision of this Deed (or any amendment to it).

9.2 Declarations

For the purpose of enabling the Scheme to become and to continue to be a Registered Pension Scheme, the Trustees may give such declarations as may be required by HM Revenue & Customs under Section 153 of the Finance Act 2004 (Registration of pension schemes). Any such declaration shall be deemed to be incorporated in the Deed, and, to the extent that it is inconsistent with any of the provisions of the Scheme (including any provision which is stated in the Deed to be overriding), the declaration shall override the provision of the Scheme.

SCHEDULE

THE RULES OF THE SCHEME

1. INTERPRETATION

1.1 General Interpretation

In this Deed:

- (a) unless the context otherwise requires, words importing the singular shall include the plural, and vice versa, and words importing the masculine, feminine or neuter gender shall include either or both of the others, and words importing persons shall include corporations;
- (b) references to an enactment, or any regulation made under it, shall include any corresponding legislation in Northern Ireland and shall include a reference to any statutory modification or re-enactment of it.

1.2 Definitions

In this Deed the following words shall, unless the context otherwise requires, have the following meanings and where these words are used in the Deed they are identified by the first letter being capitalised.

Active Member means a Member of the Scheme in Pensionable Service.

Alternatively Secured Pension means the benefits provided to or in respect of a Member in accordance with Rule 4.5.1 (Member's benefits at age 75) or to a Dependant in accordance with Rule 6.5 (Dependant's Unsecured Pension and Alternatively Secured Pension) and Rule 6.6 (Dependant's benefits at age 75).

Alternatively Secured Pension Fund means that part of the Member's Personal Account which remains invested in the Fund in accordance with Rule 4.5 (Member's benefits at age 75), Rule 6.5 (Dependant's Unsecured Pension and Alternatively Secured Pension) or Rule 6.6 (Dependant's benefits at age 75) to provide Alternatively Secured Pension after the Member (or Dependant) reaches age 75.

Civil Partner means a person who is in a civil partnership with the Member under the Civil Partnership Act 2004.

Clause means a clause of the Deed excluding the Schedule to it.

Deed means the Deed and includes all Schedules and Appendices to it.

Dependants means:

- (a) the spouse or Civil Partner of the Member at the time of his death;
- (b) the spouse or Civil Partner of a Member at the time the Member's benefits under the Scheme came into payment;

- (c) any individuals (other than a child of the Member) who in the opinion of the Trustees were, at the time of the death of the Member, financially dependent on the Member or dependent because of disability, or had a financial relationship of mutual dependence with the Member; and
- (d) any children of the Member (including any adopted children) who have not reached the age of 23 or who were dependent on the Member because of disability at the time of his death.

Employee means an employee of an Employer or a director of an Employer whose remuneration is not a receipt of a profession or accountable to another employer or company.

Employer means the Principal Employer or any other employer which is participating in the Scheme in accordance with Clause 7 (Participation of employers). Where the context so requires and subject to Clause 7.4 (Consequences of an Employer ceasing to participate), Employer means the Employer which, in relation to a Member, is his employer or was his employer on the date he left Pensionable Service.

Former Spouse means an individual to whom a Pension Credit has been allocated in relation to the Scheme.

Fund means the pension fund constituted under the Deed.

Insolvency means, in relation to an Employer or the Principal Employer, its liquidation, provisional liquidation, administration, receivership, administrative receivership or its entering into a voluntary arrangement.

Insurance Company has the meaning given by Section 275 of the Finance Act 2004.

Lifetime Annuity means an annuity provided by an Insurance Company selected by a Member under Rule 4.3 (Member's Lifetime Annuity) or by a Dependant under Rule 6.4 (Dependant's Lifetime Annuity).

Member means an Active Member and, where appropriate, an Employee or a former employee who was an Active Member and retains an entitlement to benefits under the Scheme and any other person who under the Rules has a current or future entitlement to benefits under the Scheme.

Minimum Pension Age means:

- (a) prior to 6 April 2010, age 50;
- (b) on or after 6 April 2010, age 55; or
- (c) such lower age as may be permitted under Part 3 of Schedule 36 of the Finance Act 2004.

Normal Retirement Date means the date notified to the Member by his Employer as being his Normal Retirement Date. Such date must be no earlier than the Member's Minimum Pension Age and no later than the day before the Member's 75th birthday.

Paid Family Leave means any period throughout which a Member is absent from work due to pregnancy or confinement, or on paternity leave or adoption leave and for which the Employer pays any contractual remuneration or statutory maternity, paternity or adoption pay and any other period during which a Member is absent from work for family reasons during which his employer pays any contractual remuneration.

Pension Credit means a credit under Section 29(1)(b) of the Welfare Reform and Pensions Act 1999.

Pension Credit Benefit means the benefits payable under the Scheme to or in respect of a person by virtue of rights under a scheme attributable (directly or indirectly) to a Pension Credit.

Pension Sharing Order means any order, provision or agreement as referred to in Section 28(1) of the Welfare Reform and Pensions Act 1999.

Pensionable Service means the period of Service during which the Member is contributing to the Scheme or his Employer is contributing on his behalf and such additional period as may be permitted under the Rules of the Scheme. Pensionable Service shall end no later than the day before the Member's 75th birthday.

Personal Account means the value of the Member's interest in the Fund which shall represent the amount of contributions, transfers and other receipts to the Scheme in respect of the Member, adjusted in line with such investment return as the Trustees shall determine, less any benefit expense or other payments out of the Scheme to or in respect of that Member. In determining the amount of any investment return (which may be negative), the trustees shall ensure that all the investment returns on the assets of the Fund are fairly allocated between the different Members' Personal Accounts in the Scheme. In particular, the Trustees may allocate investment return to a Member's Personal Account having regard to the return on certain investments of the Fund or on the return of the investments of the whole Fund. For the avoidance of doubt a Member's Personal Account in the Fund does not confer any right on the Member in relation to specific assets in the Fund, but is merely a notional allocation of a share of the Fund. In determining the Member's Personal Account the Trustees may obtain such professional advice as they feel appropriate and should inform the Member of the basis of the allocation of investment returns.

Principal Employer means the Principal Employer named on page 1 of the Deed or any other company, firm or person which subsequently becomes the Principal Employer under the Scheme in accordance with Clause 7.2 (Substitution of Principal Employer).

Qualifying Service means the total of:

- (a) actual Service whilst a Member of the Scheme and any additional periods which count as Pensionable Service and which do not fall within paragraphs (b) and (c) below;
- (b) any previous period of Qualifying Service whilst a Member of the Scheme in respect of which a Member remains entitled to benefits under the Scheme;

(c) actual periods of service in any previous employment during which the Member was a member of an occupational pension scheme from which the Trustees have received a transfer payment; and

(d) such other period as the Trustees, with the consent of the Employer, may allow.

Qualifying Service shall not be interrupted if there is a break in Service in exercise of a right under Part VIII of the Employment Rights Act 1996 (Maternity Leave and Parental Leave) and the Member returns to Pensionable Service within one month of returning to work or the break corresponds to the Member's absence from Service in furtherance of a trade dispute (as defined in Section 35 of the Jobseekers Act 1995) or the break does not exceed one month.

Relatives means in relation to any deceased Member:

- (a) his spouse, former spouses Civil Partner and former Civil Partners;
- (b) his and his spouse's (or Civil Partner's) lawful or adoptive parents and grandparents; and
- (c) such parents' and grandparents' widows, widowers, children (which includes legitimate, adoptive and stepchildren and any other children to whom the Trustees believe the Member stood in loco parentis) and their descendants and their spouses or Civil Partners.

Registered Pension Scheme means a scheme or arrangement which is registered with HM Revenue & Customs under Chapter 2 of Part 4 of the Finance Act 2004 (Registration of Pension Schemes).

Rules means these rules set out in the Schedule to the Deed as from time to time amended or replaced.

Scheme means the pension scheme governed by this Deed as named on page 1 of this Deed.

Scheme Administrator means the person or persons who are from time to time the scheme administrator for the purposes of section 270 of the Finance Act 2004

Scheme Pension means a pension provided to or in respect of a Member in accordance with Rule 4.2 (Member's Scheme Pension) or to a Dependant in accordance with Rule 6.3 (Dependant's Scheme Pension).

Service means the period of employment (or, in the case of a director, the period of office) with any of the Employers and Service shall be deemed continuous although performed with more than one of the Employers, so long as any break in such employment (or office) does not exceed one month.

Short-term Annuity means an annuity provided from Unsecured Pension Funds in accordance with Rule 4.4.2, in respect of a Member, or Rule 6.5.2, in respect of a Dependant.

Trustees means the Trustees as defined on page 1 of this Deed and any additional or replacement trustee or trustees for the time being of the Scheme.

Unpaid Family Leave means any period throughout which a Member is absent from work due to maternity, paternity leave or adoption leave for which the Employer does not pay him any contractual remuneration or statutory maternity, paternity or adoption pay and any other period during which a Member is absent from work for family reasons and does not receive any contractual remuneration.

Unsecured Pension means the benefits provided to or in respect of a Member in accordance with Rule 4.4 (Member's Unsecured Pension) or to a Dependant in accordance with Rule 6.5 (Dependant's Unsecured Pension and Alternatively Secured Pension).

Unsecured Pension Fund means, as appropriate:

- (a) that part of a Member's Personal Account which has been designated to provide Unsecured Pension in accordance with Rule 4.4 (Member's Unsecured Pension); or
- (b) that part of a Member's Personal Account which following the Member's death is designated by his Dependant to provide Unsecured Pension in accordance with Rule 6.5 (Dependant's Unsecured Pension and Alternatively Secured Pension).

The value of the Unsecured Pension Fund shall be calculated by the Trustees in a manner that is consistent with that used to value the rest of the Member's Personal Account.

2. MEMBERSHIP AND CONTRIBUTIONS

2.1 Membership

- 2.1.1 An Employer may admit to membership of the Scheme any of its Employees and such other person as the Principal Employer may agree, with effect from such date as the Employer shall decide.
- 2.1.2 Membership of the Scheme shall be optional. Every Employee who has the option to join the Scheme and wishes to exercise his option, must do so in writing in a form approved by the Trustees, which shall constitute his agreement to be bound by and comply with the Rules.
- 2.1.3 An Active Member may opt out of the Scheme at any time on giving one month's written notice to the Trustees. The Member shall cease to be an Active Member of the Scheme on the day after such notice expires and be treated as having left Pensionable Service.

2.2 Employment with an overseas company

Employees of Employers that are not resident in the United Kingdom may join the Scheme on such terms and subject to such conditions as the Principal Employer considers appropriate. Membership of such Employees shall also be subject to the requirements of any legislation.

2.3 Statement of contributions and benefits

The Trustees shall provide each Member on joining the Scheme with a statement of the contributions payable to the Scheme by the Member and his Employer and the benefits, including any death benefits, payable to or in respect of the Member. The Trustees shall notify the Member in writing of any change to the information in the statement of contributions and benefits.

2.4 Contributions

- 2.4.1 Each Active Member in Pensionable Service shall contribute to the Fund at the rate and at such intervals as determined by his Employer and notified to him in the statement of benefits and contributions referred to in Rule 2.3.
- 2.4.2 The Employer shall pay to the Trustees contributions in respect of each Active Member in its employment at such rate and at such intervals as the Employer shall determine.
- 2.4.3 If an Active Member wishes to buy added benefits, he may make additional voluntary contributions to the Fund.
- 2.4.4 All contributions paid to the Fund by or in respect of a Member shall be allocated to the Member's Personal Account or otherwise used to provide or secure benefits for the Member in accordance with the statement of benefits and contributions referred to in Rule 2.3.

further period of Pensionable Service shall be allocated to the Member's Personal Account or, where the Trustees decide, to a separate Member's Personal Account for that Member.

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3. LEAVING PENSIONABLE SERVICE

3.1 Entitlement to deferred benefits

- 3.1.1 Where a Member leaves Pensionable Service before his Normal Retirement Date and either has completed two years' Qualifying Service or is someone on whose behalf the Trustees have accepted a transfer payment from a personal pension scheme, his Personal Account shall remain invested in the Fund and he shall be entitled to receive benefits in accordance with Rule 4.
- 3.1.2 Subject to a Member's right to elect that Rule 3.2 shall apply, where a Member has completed less than two years' Qualifying Service, the Trustees may at their discretion treat the Member as being entitled to deferred benefits under this Rule 3.1.

3.2 Refunds of contributions

- 3.2.1 If a Member leaves Pensionable Service before Normal Retirement Date and Rule 3.1 does not apply, the Trustees shall, subject to Rule 3.2.2, pay to the Member a refund of any contributions he has paid to the Fund (without interest) or, if less, his Personal Account, after deduction of any tax due on that refund. In this Rule references to contributions paid by a Member shall include all contributions paid by him to the Fund and (so far as allowed) to any other scheme or arrangement in which he formerly participated and which have been transferred to the Fund.
- 3.2.2 Where the Member has completed at least three months' Qualifying Service the Trustees shall offer the Member the option, as an alternative to a refund of contributions under Rule 3.2.1, to take a transfer of his benefits to another scheme or arrangement selected by the Member and the following provisions shall apply:
- (a) if the Member wishes to accept the option of a transfer he must do so by informing the Trustees in writing within three months of the Trustees sending him notice of that option (or any longer period allowed by the Trustees);
 - (b) the Member may request a transfer under this Rule to any scheme or arrangement which satisfies the requirements of Section 101AE of the Pension Schemes Act 1993 (Permitted ways of using cash transfer sum);
 - (c) the transfer shall be calculated in accordance with Section 101AF of the Pension Schemes Act 1993 (Calculation of cash transfer sum and contribution refund) and, where permitted by legislation, may be reduced by such amount as the Trustees decide in respect of administrative costs;
 - (d) on payment of a transfer under this Rule, the Trustees and the Fund shall be discharged from all liability to which the transfer relates; and
 - (e) if the Member does not accept the option of a transfer within three months of the Trustees sending him notice of that option (or any longer period allowed by the Trustees) or within that period he provides notice

in writing to the Trustees that he does not wish to take that option, the Trustees shall pay a refund of contributions under Rule 3.2.1.

3.3 Preservation Laws

Notwithstanding the provisions of this Deed, benefits provided in respect of any Member who leaves Pensionable Service prior to Normal Retirement Date shall be calculated and paid in a manner consistent with the requirements of Part IV of the Pension Schemes Act 1993.

4. PENSION AND OTHER BENEFITS

4.1 Commencement of benefits

- 4.1.1 Subject to the following provisions of this Rule 4.1, when a Member reaches Normal Retirement Date the Trustees shall pay to the Member from his Personal Account such lump sum (if any) as he may request in accordance with Rule 4.6 (Lump sum benefits) and shall use the balance of the Member's Personal Account to provide a Scheme Pension in respect of the Member or, where applicable, to provide a Lifetime Annuity or Unsecured Pension in respect of the Member.
- 4.1.2 With the consent of his Employer, a Member may request the Trustees to use all or part of his Personal Account to provide benefits to or in respect of him prior to his Normal Retirement Date. However, benefits may only be provided to or in respect of a Member before the Member reaches his Minimum Pension Age if the Trustees are satisfied, having considered the opinion of a registered medical practitioner, that the Member is and will continue to be incapable of carrying on his occupation because of physical or mental impairment and has left Service. Where only part of a Member's Personal Account is used to provide benefits under this Rule 4.1.2, the Member may, with the consent of his Employer, make subsequent requests under this Rule in respect of all or part of the balance of his Personal Account.
- 4.1.3 Subject to Rule 4.5 (Member's benefits at age 75), a Member may, with the consent of his Employer, defer the use of all or part of his Personal Account to provide benefits until after Normal Retirement Date and he may do so whether or not he remains in Service after Normal Retirement Date. Any such part of his Personal Account will remain invested in the Fund until the Member subsequently requests it to be used to provide benefits to or in respect of him. With the consent of his Employer, such a request to provide benefits may be made in respect of part only of the remaining Personal Account and the Member may make more than one such request.
- 4.1.4 For the purposes of Rule 4.1.2 and 4.1.3, use of the Member's Personal Account to provide benefits to or in respect of the Member involves its use to provide a Scheme Pension, Lifetime Annuity, Unsecured Pension or Alternatively Secured Pension for or in respect of that Member or a lump sum benefit in accordance with the following provisions of this Rule 4.

4.2 Member's Scheme Pension

- 4.2.1 A Scheme Pension shall consist of a pension for the Member and such benefits for the Dependants of the Member, payable on his death, as the Member shall decide. The Scheme Pension shall comply with the requirements of paragraph 2 of Schedule 28 to the Finance Act 2004 (in respect of the Member) and paragraph 16 of that Schedule (in respect of any Dependant) and payment may be guaranteed for such period as may be agreed (not exceeding 10 years). It may be of a fixed amount or may increase each year in such manner as the Member shall decide.

4.2.2 Any Scheme Pension provided for the Member or the Dependants of the Member shall be payable for life or, in respect of any children of the Member, for so long as they remain a Dependant of the Member.

4.2.3 Where the Rules require a Scheme Pension to be provided in respect of a Member but the Member does not select the benefits to be provided under Rule 4.2.1:

(a) the Trustees shall, subject to Rule 4.5 (Member's benefits at age 75), defer provision of his benefits until such time as the Member does select his benefits; or

(b) at the request of the Employer, the Trustees shall provide such benefits by way of Scheme Pension in respect of the Member as the Trustees in their absolute discretion decide.

4.2.4 Subject to the Rule 4.2.5 and to Rule 4.3 (Member's Lifetime Annuity), a Scheme Pension payable to or in respect of a Member shall be provided by the purchase of a policy or annuity contract with an Insurance Company selected by the Trustees. Any such policy will be in the name of the Member unless the Trustees decide to purchase it in the Trustees' name. When purchasing any such policy, the Trustees shall not be obliged to take into account the individual circumstances of the Member nor to carry out a review of all available Insurance Companies.

4.2.5 Rather than purchase a policy or annuity contract with an Insurance Company under Rule 4.2.4, the Trustees may, with the consent of the Principal Employer, agree to provide a Scheme Pension to or in respect of a Member from the Fund. In such circumstances the Member's Personal Account (or the relevant part of it) shall remain in the general assets of the Fund, but shall cease to be allocated to any Member's Personal Account, and the Scheme shall provide such benefits to or in respect of the Member as the Trustees shall decide.

4.3 Member's Lifetime Annuity

Where all or part of a Member's Personal Account is to be used to provide benefits in accordance with Rule 4.1, rather than receive a Scheme Pension the Member may request payment of a Lifetime Annuity provided by an Insurance Company selected by the Member. Any such Lifetime Annuity shall comply with the requirements of paragraph 3 of Schedule 28 to the Finance Act 2004.

4.4 Member's Unsecured Pension

4.4.1 Where all or part of a Member's Personal Account is to be used to provide benefits in accordance with Rule 4.1, rather than receive a Scheme Pension the Member may elect that all or part of that Personal Account be used to provide Unsecured Pension in respect of the Member. Any such part of his Personal Account shall remain invested in the Fund but shall be separately identified by the Trustees as being the Member's Unsecured Pension Fund. If a Member makes more than one election under this Rule all such amounts shall be added to his Unsecured Pension Fund.

- 4.4.2 At the request of a Member, the Trustees shall use all or part of the Member's Unsecured Pension Fund to purchase from an Insurance Company selected by the Member a Short-term Annuity in respect of the Member. Any such annuity must be payable for no more than five years (or such shorter period as lasts until the Member reaches age 75) and must comply with all other requirements for a short-term annuity under Section 165 and paragraph 6 of Schedule 28 to the Finance Act. A Short-term Annuity may not be purchased after the Member reaches age 75.
- 4.4.3 Prior to his 75th birthday, the Member may withdraw an income from his Unsecured Pension Fund at such rate and on such terms as he may agree with the Trustees. Any such income withdrawal must comply with the requirements of Section 165 and Schedule 28 to the Finance Act 2004.
- 4.4.4 Any withdrawal of income or any sum used to purchase a Short-term Annuity shall be deducted from the Member's Unsecured Pension Fund.
- 4.4.5 A Member who has elected to receive Unsecured Pension in accordance with this Rule may at any time request the Trustees to use all or part of his remaining Unsecured Pension Fund to provide a Scheme Pension or to purchase a Lifetime Annuity.

4.5 Member's benefits at age 75

- 4.5.1 Subject to Rule 4.5.3, where a Member has deferred receipt of all or part of his benefits under Rule 4.1.3 or is in receipt of Unsecured Pension under Rule 4.4 and in either case he reaches age 75 he shall be deemed to have elected immediately prior to his 75th birthday to use his remaining Personal Account, including any Unsecured Pension Fund, to provide Alternatively Secured Pension. Any such Alternatively Secured Pension Fund shall remain invested in the Fund and the Member may withdraw income from his Alternatively Secured Pension Fund at such rate and on such terms as he may agree with the Trustees. Any Alternatively Secured Pension must comply with the requirements for alternatively secured pension under Schedule 28 to the Finance Act 2004.
- 4.5.2 A Member who has elected to receive Alternatively Secured Pension may at anytime by notice in writing request the Trustees to use all or part of his remaining Alternatively Secured Pension Fund to provide a Scheme Pension or to purchase a Lifetime Annuity.
- 4.5.3 Notwithstanding Rule 4.5.1, where a Member reaches age 75 his Employer may direct the Trustees to use his remaining Personal Account to provide a Scheme Pension in respect of the Member. If an Employer makes such a direction, the Trustees must give the Member the chance to select an Insurance Company to provide that Scheme Pension.

4.6 Lump sum benefits

- 4.6.1 Subject to the following paragraphs of this Rule, each time a Member becomes entitled to a Scheme Pension or elects to receive a Lifetime Annuity or Unsecured

Pension in accordance with this Rule 4, he may at the same time elect to use part of his Personal Account to provide a lump sum benefit.

4.6.2 The lump sum shall be such amount as the Member may request but not exceeding the maximum amount payable as a pension commencement lump sum under Schedule 29 of the Finance Act 2004. Such lump sum shall be deducted from the Member's Personal Account prior to providing the other benefits for or in respect of the Member under this Rule.

4.6.3 A lump sum may not be paid under this Rule on or after the Member's 75th birthday.

5. LUMP SUM BENEFITS ON DEATH

5.1 Lump sum benefits under an annuity

If a Member dies and at the time of his death he is in receipt of a Scheme Pension, a Lifetime Annuity or a Short-term Annuity, such lump sums (if any) shall be payable as are provided under the terms of that arrangement provided that such lump sum is authorised as a lump sum death benefit under Section 168 of the Finance Act 2004. The following provisions of this Rule shall not apply to such benefits.

5.2 Lump sum benefits on death of a Member before age 75

- 5.2.1 This Rule applies where a Member dies prior to age 75. Any lump sum payable under this Rule shall be held by the Trustees on discretionary trusts in accordance with Rule 7.6 (Payment of lump sum death benefits).
- 5.2.2 Where contributions paid to the Fund by or on behalf of the Member have been used to provide policies of insurance or where part of the Member's Personal Account has been used to provide policies of insurance, such part of the proceeds of those policies as the Trustees shall decide shall be payable as a lump sum.
- 5.2.3 Where this Rule applies the Member's Personal Account (or such part of it as the Trustees decide); including the Member's Unsecured Pension Fund (or such part of it as the Trustees decide) shall be payable as a lump sum.

5.3 Lump sum benefits on death of a Dependant before age 75

Where a Dependant dies before age 75 and at the time of death he was in receipt of Unsecured Pension in accordance with Rule 6.5 (Dependant's Unsecured Pension and Alternatively Secured Pension), the Trustees shall use the remaining Unsecured Pension Fund (or such part of it as the Trustees decide) to provide a lump sum which shall be held by the Trustees on discretionary trusts in accordance with Rule 7.6 (Payment of lump sum death benefits). Any such lump sum must comply with the requirements for an unsecured pension fund lump sum death benefit under Schedule 29 to the Finance Act 2004.

5.4 Lump sum benefits on death after age 75

5.4.1 This Rule applies where:

- (a) a Member dies on or after his 75th birthday and immediately before his death he was in receipt of (or entitled to) income withdrawal from his Alternatively Secured Pension Fund and the Member is not survived by any Dependents; or
- (b) a Dependant of a Member dies on or after the Dependant's 75th birthday and immediately before his death he was in receipt of (or entitled to) income withdrawal from his Alternatively Secured Pension Fund and he is not survived by any other Dependant of the Member.

5.4.2 Where this Rule applies the Trustees shall use such part of the balance of the Member's or Dependant's Alternatively Secured Pension Fund as they shall decide to provide lump sum benefits to any charity or charities nominated by the Member provided that such payment complies with the requirements for a charity

lump sum death benefit under paragraph 18 of Schedule 29 to the Finance Act 2004.

- 5.4.3 Any balance of the Member's or Dependant's Alternatively Secured Pension Fund remaining after the provision of benefits under Rule 5.4.2 shall be applied by the Trustees to the Member's Personal Account of one or more other Members of the Scheme nominated by the deceased Member provided that such use complies with the requirements for a transfer lump sum death benefit under paragraph 19 of Schedule 29 to the Finance Act 2004.
- 5.4.4 Where a benefit is payable under this Rule on the death of the Dependant of a Member, but the Member did not nominate a charity or other Member to receive the benefit, the Trustees may follow any nomination made by the Dependant prior to his death.
- 5.4.5 Where a benefit is payable under this Rule on the death of a Member, but the Member did not nominate a charity or other Member to receive the benefit or a benefit is payable under this Rule on the death of the Dependant of a Member, but neither the Member nor the Dependant nominated a charity or other Member to receive the benefit, the Trustees may select one or more other Members (but not a charity) to receive the benefit.

5.5 Lump sum on death of Former Spouse before implementation of Pension Sharing Order

If the Former Spouse of a Member dies before the Trustees have implemented the relevant Pension Sharing Order then the Former Spouse shall be treated as if he was entitled to Pension Credit Benefits under the Scheme at the time of his death and the Trustees shall use the cash equivalent of the Former Spouse's benefits under the Pension Sharing Order (calculated in accordance with The Pension Sharing (Pension Credit Benefit) Regulations 2000) to provide such lump sum benefits on discretionary trust in accordance with Rule 7.6 (Payment of lump sum death benefits) and Scheme Pensions for the Dependents of the Former Spouse as they shall decide. For the purposes of this Rule, references to "Member" in Rule 7.6 and in the definition of "Dependants" shall be replaced by references to the "Former Spouse".

6. DEPENDANTS' PENSIONS

6.1 Dependant's benefits under an annuity

If a Member dies and he is in receipt of a Scheme Pension a Lifetime Annuity or a Short-term Annuity, any guaranteed payment period provided for the benefit shall apply and such Dependents' pensions or annuities (if any) shall be payable as are provided under the terms of that arrangement provided that any such Dependant's pension or annuities are authorised under Section 167 of the Finance Act 2004. The following provisions of this Rule shall not apply to such pensions or annuities.

6.2 Dependant's benefits – general

6.2.1 On the death of a Member, such part of:

- (a) the Member's Personal Account (if any), including any Unsecured Pension Fund and any Alternatively Secured Pension Fund, and
- (b) the proceeds of any policy of insurance

which is not used to provide lump sum benefits under Rule 5.2 (Lump sum benefit on death of a Member before age 75) shall be used by the Trustees to provide one or more Dependant's Scheme Pensions on such terms as they may decide or, where applicable, such Dependents' Lifetime Annuity, Dependents' Unsecured Pension or Dependant's Alternatively Secured Pension as may be requested in accordance with the following provisions of this Rule 6.

6.2.2 If a Dependant is in receipt of Unsecured Pension or Alternatively Secured Pension in accordance with Rule 6.5, on the death of the Dependant such part of the Dependant's Unsecured Pension Fund or Alternatively Secured Pension Fund (as appropriate) which is not used to provide lump sum benefits under Rule 5 shall be used by the Trustees to provide one or more Dependant's Scheme Pensions on such terms as they may decide or, where applicable, Dependant's Lifetime Annuities, Dependant's Unsecured Pensions or Dependant's Alternatively Secured Pensions as may be requested in accordance with the following provisions of this Rule 6 for such of the surviving Dependents of the Member as the Trustees may decide.

6.3 Dependant's Scheme Pension

6.3.1 A Dependant's Scheme Pension shall be payable for life or, in respect of any children of the Member, for so long as they remain a Dependant of the Member and shall comply with the requirements of paragraph 16 of Schedule 28 to the Finance Act 2004.

6.3.2 Subject to Rule 6.3.3 and to Rule 6.4 (Dependant's Lifetime Annuity) a Dependant's Scheme Pension shall be provided by the purchase of a policy or annuity contract with an Insurance Company selected by the Trustees. Any such policy shall be in the name of the Dependant (or, where purchased as a joint life annuity, in the name of the Member) unless the Trustees decide to purchase it in the Trustee's name. When purchasing any such policy, the Trustees shall not be

obliged to take into account the individual circumstance of the Dependant nor to carry out a review of all available Insurance Companies.

- 6.3.3 Instead of purchasing a policy or annuity contract with an Insurance Company under Rule 6.3.2, the Trustees may, with the consent of the Principal Employer agree to provide a Dependant's Scheme Pension from the Fund. In such circumstances, the sums available under Rule 6.2 to provide the Dependant's Scheme Pension shall be held in the general assets of the Fund and the Scheme shall provide such benefits to the Dependant as the Trustees shall decide.
- 6.3.4 Where the Member was aged 75 or over at the time of his death, any Dependents' Scheme Pensions may not exceed the limits provided in Schedule 28 to the Finance Act 2004.

6.4 Dependant's Lifetime Annuity

Where a sum is available to provide a benefit to the Dependant of a Member under Rule 6.2, rather than provide a Scheme Pension the Dependant may require the Trustees to use that sum to purchase an annuity with an Insurance Company selected by the Dependant. Any such Lifetime Annuity must comply with the requirements of paragraph 17 of Schedule 28 to the Finance Act 2004.

6.5 Dependant's Unsecured Pension and Alternatively Secured Pension

- 6.5.1 Where a sum is available to provide a benefit to the Dependant of a Member under Rule 6.2, rather than provide a Scheme Pension, the Dependant may, with the consent of the Principal Employer, request the Trustees to use all or part of that sum to provide a Dependant's Unsecured Pension or, where the Dependant has reached age 75, Alternatively Secured Pension. Any such sum shall remain invested in the Fund but shall be separately identified by the Trustees as being the Dependant's Unsecured Pension Fund or Alternatively Secured Pension Fund.
- 6.5.2 At the request of the Dependant, the Trustees shall use all or part of the Dependant's Unsecured Pension Fund to purchase from an Insurance Company selected by the Dependant a Short-term Annuity in respect of that Dependant. Any such annuity must be payable for no more than five years or such shorter period as lasts until the Dependant reaches age 75) and must comply with all other requirements of Section 167 and paragraph 20 of Schedule 28 to the Finance Act 2004. A Short-term Annuity may not be purchased after the Dependant reaches age 75.
- 6.5.3 A Dependant may withdraw income from his Unsecured Pension Fund or Alternatively Secured Pension Fund at such rate and on such terms as he may agree with the Trustees. Any such income withdrawal must comply with the requirements of Section 167 and Schedule 28 to the Finance Act 2004.
- 6.5.4 Any withdrawal of income or any sum used to purchase a Dependant's Short-term Annuity shall be deducted from the Dependant's Unsecured Pension Fund.
- 6.5.5 Any Dependant who has elected to receive Unsecured Pension or Alternatively Secured Pension in accordance with this Rule may at any time request the

Trustees to use all or part of his remaining Unsecured Pension Fund or Alternatively Secured Pension Fund to provide a Dependant's Scheme Pension or to purchase a Dependant's Lifetime Annuity.

6.6 Dependant's benefits at age 75

- 6.6.1 Subject to Rule 6.6.2, where a Dependant is in receipt of Unsecured Pension on reaching age 75 he shall be deemed to have elected to receive Alternatively Secured Pension as from age 75. Any such Alternatively Secured Pension shall comply with the relevant provisions of Rule 6.5.
- 6.6.2 Where a Dependant who is in receipt of (or entitled to) Unsecured Pension in accordance with Rule 6.5 reaches age 75 the Principal Employer may direct the Trustees to use the Dependant's remaining Unsecured Pension Fund to purchase a Scheme Pension for that Dependant. If the Principal Employer makes such a direction, the Trustees must give the Dependant the chance to select an Insurance Company to provide that Scheme Pension.

6.7 Civil Partners

Where the Trustees have a discretion in relation to the payment of any pension following the death of a Member, they must exercise that discretion in such manner as is necessary to comply with the requirements of the Civil Partnership Act 2004 (and regulations made under it).

7. PAYMENT OF BENEFITS

7.1 Personal details

- 7.1.1 Before making any payment out of the Fund, the Trustees (or, where appropriate, the Insurance Company) may require the production of a certificate, or such other evidence as they may think fit, of the birth, age, marriage, civil partnership, continued existence or death of the Member, or other person claiming the benefit or of his Dependants or of any other information which may be relevant to a person's entitlement to receive payment from the Fund. Payment of the amount due may be withheld until the required information is provided (but in such a case no interest will be payable in respect of the period for which payment is withheld).
- 7.1.2 If any beneficiary, or other person on their behalf, provides any incorrect or invalid information to the Trustees or fails to provide any information requested by them, the Trustees may make such arrangements as they consider reasonable to adjust any pension or other benefit payable out of the Fund in order to provide the correct level of benefits to or in respect of that beneficiary.

7.2 Payment of benefits

- 7.2.1 Pensions and other regular benefits shall be payable at such intervals (including annually) as the Trustees (or, where the benefits are secured by a policy, the Insurance Company) may decide and may be paid in advance or arrears.
- 7.2.2 Subject to Section 66A of the Pensions Act 1995, pensions or other payments are payable to a United Kingdom bank account maintained by the Member or beneficiary or in such other way as the Trustees think fit and subject to the Member or beneficiary producing any documentation required by the Trustees. Any agreement by the Trustees for payment through the post or to a bank account other than one in the United Kingdom maintained by the Member or beneficiary shall be at the risk (and where the Trustees consider appropriate, at the expense) of the Member or beneficiary.
- 7.2.3 Where any lump sum benefit is payable under the Scheme the Trustees may agree with the recipient of that benefit to make that payment by transferring to the recipient assets from the Fund which are equal in value to all or a part of that lump sum.
- 7.2.4 If the Trustees think that any person entitled to receive a payment from the Fund cannot manage his affairs due to physical or mental infirmity or otherwise, or a benefit is payable to a child, the following provisions apply:
- (a) the Trustees may with the consent of the Employer pay that sum to any person for the maintenance or benefit of the person concerned or, at the Trustees' discretion, to one or more of the Member's Dependants, or, retain the whole or part of the sum due in the Fund;
 - (b) any amount retained in the Fund under Rule 7.2.3(a) may at any later date be paid by the Trustees to the person otherwise entitled to it, to any person for the maintenance or benefit of the person concerned or to one or more of the Member's Dependants;

- (c) any amount still retained in the Fund on the death of the person concerned will be held by the Trustees on discretionary trust in accordance with Rule 7.6 (Payment of lump sum death benefits); and
- (d) the Trustees shall not be obliged to see to the application of any benefit paid to any person who undertakes to apply it for the benefit of the person concerned and his receipt shall be a complete discharge to the Trustees.

7.3 Incorrect payments

Where any Member or other person is paid a sum from the Fund to which they are not then entitled or which exceeds their then entitlement from the Fund, the Trustees may demand repayment of that sum (or, where applicable, the amount in excess of his entitlement) together with interest (if any) at such rate as the Trustees consider appropriate and may, where they consider it to be appropriate, deduct any such sum from future payments due to or in respect of that person.

7.4 Lump sum in place of trivial benefits

- 7.4.1 Where a trivial benefit becomes payable or is in payment, the Trustees may convert that benefit into a lump sum on such basis as the Trustees may decide and payment of that lump sum shall be a complete discharge to the Trustees in respect of that trivial benefit.
- 7.4.2 For the purposes of this Rule, a trivial benefit is
 - (a) in respect of a Member who has attained age 60 but not age 75, any benefit which is capable of being commuted into a trivial commutation lump sum for the purposes of Paragraph 7 of Schedule 29 to the Finance Act 2004;
 - (b) in respect of any Dependant of a Member any benefit payable to that Dependant which is capable of being commuted into a trivial commutation lump sum death benefit for the purposes of Paragraph 20 to Schedule 29 to the Finance Act 2004.
- 7.4.3 For the avoidance of doubt a benefit may be commuted under this Rule notwithstanding the fact that it was in payment on 6 April 2006 or the Member had left Pensionable Service prior to that date.
- 7.4.4 Trivial benefits of Dependents may also be commuted in the same circumstances or may be commuted for a lump sum payable to the Member at the same time as the Member's pension becomes payable.

7.5 Lump sum on serious ill-health

When a benefit first becomes payable to a Member, the Trustees may convert into a single lump sum payment all benefits payable to a Member if the Trustees, having taken advice from a medical practitioner, are satisfied that such commutation is justified owing to the Member being expected to live for less than one year and the payment would qualify as a serious ill-health lump sum under paragraph 4 of Schedule 29 to the Finance Act 2004.

The sum payable shall be the value of the Member's Personal Account less and costs and expenses deducted by the Trustees.

7.6 Payment of lump sum death benefits

- 7.6.1 Where on the death of a Member, or other beneficiary an amount is stated to be held on discretionary trust in accordance with this Rule 7.6, the Trustees shall, subject to the following provisions of this Rule pay or apply all or any part of that sum to or for the benefit of any Relatives, Dependants, personal representatives (or executors) or nominated beneficiaries of the deceased Member and any person or any persons whom the Trustees consider to be an appropriate recipient of all or part of the lump sum due to their relationship and standing with the Member in such shares as the Trustees decide.
- 7.6.2 The Trustees may establish separate trusts for the benefit of any beneficiary mentioned in Rule 7.6.1 above
- 7.6.3 For the avoidance of doubt, the Trustees may use any amount held in accordance with this Rule to purchase an annuity for any Dependant of the Member.
- 7.6.4 If the Trustees have not exercised these powers within two years of the death of the Member or other beneficiary the lump sum shall be retained in the Fund and treated as unallocated contributions for the purposes of Rule 2.6 unless the Trustees decide:
- (a) to hold the sum as a separate fund, outside the Scheme, on trust for the personal representatives (or executors) of the deceased Member or other beneficiary or, if there are none, his statutory next of kin; or
 - (b) to pay the lump sum to the Principal Employer.
- 7.6.5 The Trustees may have regard to any document signed by the Member expressing his wishes for the disposal of the sum, and any person charity or unincorporated association named in the document will be a "nominated beneficiary".
- 7.6.6 Where any sum held under discretionary trust would otherwise be payable to the Crown, the Duchy of Lancaster or the Duke of Cornwall as bona vacantia, or would vest in a creditor of the Member, the Trustees shall retain that sum as part of the Fund.
- 7.6.7 The Trustees may deduct from any sum payable under this Rule an amount equal to all or part of the costs and expenses relating to the funeral of the Member or other beneficiary and shall pay any such sum in settlement of those costs or expenses or to any person who has incurred these costs or expenses. For the avoidance of doubt the Trustees may make a payment under this Rule in advance of exercising their general discretion as to the payment of a lump sum under this Rule.

7.7 Payments to personal representatives

Where any sum is payable to the estate of a Member, or other beneficiary the Trustees may pay that sum to any person who the Trustees consider capable of being the personal representative (or executors) of the Member, or beneficiary without seeing a grant of representation or other relevant documentation or to any other person the Trustees consider has an interest in the Member's estate and a receipt given by that person is a complete discharge to the Trustees.

7.8 Taxation deductions

The Trustees may deduct from any payment made under the Scheme or, where appropriate, from a Member's Personal Account, a sum equal to the tax or other liability to HM Revenue & Customs in respect of that payment or in respect of that Member.

7.9 Unclaimed benefits

7.9.1 Subject to the requirements of any applicable legislation, benefits are only payable when claimed by the Member or beneficiary and the Trustees are not obliged to locate the recipient of a benefit in order to inform him of his entitlement to a benefit from the Scheme.

7.9.2 A Member or other beneficiary will cease to be entitled to any sum which has become due if it has not been claimed for at least six years from the date upon which it became due. If that payment formed an instalment of a pension, the right to the pension shall not be extinguished but the right to the unclaimed instalment will be forfeited. The Trustees may, at their discretion and with the consent of the Principal Employer, pay all or any part of the benefit to the Member or other beneficiary even though it has not been claimed for at least six years but, unless the Trustees decide otherwise, the Member or beneficiary shall not be entitled to interest on the amount paid. Where any sum is forfeited under this Rule, it shall be returned to the Employer.

7.10 Pension Sharing Order

7.10.1 Where the benefits of a Member are subject to the provisions of a Pension Sharing Order the benefits payable to the Member in accordance with this Deed shall be reduced by the debit applicable in accordance with Section 29(1)(a) of the Welfare Reform and Pensions Act 1999.

7.10.2 Any Pension Credit or Pension Credit Benefit may be discharged in any manner consistent with the Welfare Reform and Pensions Act 1999, as determined by the Trustees. Any benefits consequently provided under the Scheme may, where the Trustees decide, be treated as provided separately from any benefits provided under the Scheme for the same individual as an Employee or as a spouse or Dependant of an Employee. The Former Spouse shall be regarded as a Member of the Scheme for the purposes of such provisions of this Deed as the Trustees may decide.

SPECIAL RULES FOR CALCULATING BENEFITS

8.

8.1

Family leave

- 8.1.1 Paid Family Leave shall be treated as Pensionable Service and as if it is a period throughout which the Member works normally and receives the remuneration likely to be paid for doing so. During any period of Paid Family Leave a Member shall only be required to pay contributions (if any) on the amount of contractual remuneration, statutory maternity pay, statutory paternity pay or statutory adoption pay actually paid for that period.
- 8.1.2 The Employer of the Member shall continue to pay contributions calculated by reference to the Member's earnings before his absence or such greater amount as his Employer decides.
- 8.1.3 Unpaid Family Leave shall not be treated as Pensionable Service unless the Employer agrees with a Member that a period of Unpaid Family Leave shall be treated as Pensionable Service, in which case the Member's contributions (if any) and benefits and any Employer contributions shall be calculated by reference to the Member's earnings before his absence or such greater amount as the Employer determines.
- 8.1.4 A Member to whom this Rule applies:
- (a) shall not be treated as remaining in Pensionable Service if he has failed to pay any necessary Member contributions;
 - (b) who fails to return to work at the end of her maternity leave in accordance with the conditions of any legal right shall be treated as having left Pensionable Service on the later of the date when any remuneration or maternity pay stops being paid and the end of the Member's ordinary maternity leave;
 - (c) who fails to return to work following a period of adoption leave (as defined in Section 75A of the Employment Rights Act 1996) or paternity leave (as defined in the Paternity and Adoption Leave Regulations 2002) shall be treated as having left Pensionable Service at the end of the period of ordinary adoption leave or paid paternity leave;
 - (d) who has not paid contributions due to the Scheme during any period of Paid Family Leave or Unpaid Family Leave may, with the consent of his Employer, pay the contributions due in respect of that period following his return to work on such terms as the Trustees may decide and on payment of those contributions the period in question shall count as Pensionable Service during which the Member worked normally.

8.2

Absence due to ill-health

- 8.2.1 This Rule applies where a Member is away from work because of illness or any other incapacity.

8.2.2 For so long as his Employer continues to pay him, the Member and his Employer must continue to pay any contributions and his Pensionable Service shall continue.

8.2.3 If the Member stops being paid by his Employer (or he ceases to pay any contributions due), he will cease to accrue Pensionable Service until he is again being paid by his Employer.

8.3 Secondment and other absences

8.3.1 Periods of absence covered by this Rule are periods of absence for the following reasons which have been approved by the Employer:

- (a) secondment or temporary transfer to another employer;
- (b) a course of study or training;
- (c) work of national importance; or
- (d) any other leave of absence.

8.3.2 During any period of absence in accordance with Rule 8.3.1 above, the Member's Employer may arrange to continue the Member's contributions (if any) and shall pay any Employer's contributions, in which case the Member's Pensionable Service will continue to accrue. If contributions cease to be paid in respect of the Member, he will be deemed to have left Pensionable Service and will cease to accrue Pensionable Service until he is again being paid by the Employer.

8.3.3 Where a Member remains in Pensionable Service in accordance with this Rule, the Principal Employer may at any time at its discretion decide that his Pensionable Service shall cease and the provisions of Rule 3 (Leaving Pensionable Service) shall apply.

TRANSFERS AND BUY-OUTS

9.

9.1 Transfers out

9.1.1 A Member may request the Trustees to transfer a cash sum equivalent to the Member's Personal Account (including any Unsecured Pension Fund or Alternatively Secured Pension Fund) to one or more arrangements selected by the Member. Any such transfer requires the consent of the Trustees except where the Member has a right to a transfer under Part IV of the Pension Schemes Act 1993.

9.1.2 Rather than transfer a cash sum under Rule 9.1.1 the Trustees may, at the request of the Member, transfer assets from the Fund which are equivalent in value to the Member's Personal Account (or part of it).

9.1.3 The transfer may be made to any scheme or arrangement which is capable of accepting a recognised transfer under Section 169 of the Finance Act 2004 (Recognised transfers) and is willing to accept that transfer.

9.1.4 If a Court has made an order attaching to a Member's benefit as a result of matrimonial proceedings, the Trustees shall notify the trustees of the scheme receiving any transfer payment and the former spouse who was a party to the proceedings in accordance with Regulation 4 of the Divorce etc (Pensions) Regulations 2000 or any equivalent regulations relating to Civil Partners.

9.2 Buy-outs

Instead of requesting a transfer payment under Rule 9.1 (Transfers out) a Member to whom that Rule applies may require the Trustees to use a sum equivalent to his Personal Account to purchase from an Insurance Company of the Member's choice a policy or annuity contract. The benefits provided by the policy or annuity contract may be different from the Member's accrued rights under the Scheme, so long as they are authorised under Section 164 of the Finance Act 2004 (Authorised member payments).

9.3 General provisions relating to transfers out and buy-outs

9.3.1 The following provisions of this Rule shall apply to the exercise of rights under Rule 9.1 (Transfers out) or Rule 9.2 (Buy-outs). Any reference in this Rule to a transfer shall be deemed to include a buy-out.

9.3.2 A Member may request more than one transfer payment

9.3.3 The Trustees may permit a transfer of only part of a Member's Personal Account, but otherwise any transfer (or the total of all transfers) must be of the whole of the Member's Personal Account.

9.3.4 Transfer rights may be exercised:

- (a) at any time up to the later of one year before Normal Retirement Date or six months after leaving Pensionable Service but prior to commencement of any benefit under the Scheme; or
- (b) at such later date as the Trustees with the consent of the Employer may decide

but in either case may not be exercised in a manner which would not be recognised transfer for the purposes of Section 169 of the Finance Act 2004.

- 9.3.5 A transfer application may be withdrawn at any time before the Trustees make or become bound to make a transfer payment or purchase or become bound to purchase an annuity.
- 9.3.6 Following the application of the Member's Personal Account (or part of it) in accordance with Rule 9.1 (Transfers out) or Rule 9.2 (Buy-outs) the Trustees and the Fund shall be discharged from all liability to which the transfer relates.

9.4 Dependant's transfer out

A Dependant who is in receipt of Unsecured Pension or Alternatively Secured Pension may, with the consent of the Trustees elect to transfer out or buy out their Unsecured Pension Fund or Alternatively Secured Pension Fund and the provisions of this Rule 9 shall apply to any such transfer.

9.5 Transfers in

- 9.5.1 If any Member or any former Member either was previously a member of a Registered Pension Scheme or a qualifying recognised overseas pension scheme (as defined in the Finance Act 2004) or has had his rights under any such scheme bought out with an Insurance Company, then the Trustees may with the consent of the Employer receive a transfer payment from such scheme or arrangement, or an assignment of or the surrender value of the investment concerned.
- 9.5.2 With the consent of the Principal Employer, the Trustees may also accept a transfer under this Rule from another scheme or arrangement which relates to a Pension Credit.
- 9.5.3 On receipt of a transfer or assignment under this Rule the amount received shall be credited to the Personal Account of the Member and, where requested by the Member and permitted under the Finance Act 2004, may be designated by the Trustees as part of the Member's Unsecured Pension Fund or Alternatively Secured Pension Fund.
- 9.5.4 Any transfer under this Rule shall be in cash or in the form of the assignment of a policy of insurance or in such other form as the Trustees may agree.

10. REGISTERED PENSION SCHEME REQUIREMENTS

10.1 Defined Terms

For the purposes of this Rule 10, the following terms are as defined in the Finance Act 2004: "Benefit Crystallisation Event", "Lifetime Allowance", "Lifetime Allowance Charge", "Scheme Sanction Charge" and "Unauthorised Member Payment". An index to these terms is located at Section 280 of the Finance Act 2004.

10.2 Application of this Rule

10.2.1 This Rule 10 overrides any other provision of the Rules and the Deed.

10.2.2 This Rule 10 applies to all beneficiaries under the Scheme including Members whose benefits came into payment prior to 6 April 2006 and Members who left Pensionable Service prior to that date.

10.3 Unauthorised payments

10.3.1 In the event that a Member or other beneficiary is entitled under this Deed, or under any previous provision of the Scheme, to payment of a benefit all or part of which would amount to an Unauthorised Member Payment, that benefit shall, subject to the following provisions of this Rule 10.3, be payable subject to deduction of any tax due, including any Scheme Sanction Charge.

10.3.2 Where Rule 10.3.1 applies, the Trustees may, at the request of the person entitled to that benefit, pay such alternative benefits (whether to that person or otherwise) as the Trustees may decide, provided that such alternative benefits are not Unauthorised Member Payments. On payment of the alternative benefits, the Trustees and the Scheme shall be discharged from all liability in relation to the original benefit.

10.3.3 If any benefit is payable at the discretion of the Trustees, the Trustees must not exercise that discretion in such a way as would result in payment of an Unauthorised Member Payment.

10.3.4 Notwithstanding any other provision of this Deed or of any previous deed applicable to the Scheme, no Unauthorised Member Payment may be made from the Scheme in accordance with Rule 10.3.1 where such payment would result in the Scheme exceeding the de-registration threshold under Section 158 of the Finance Act 2004 (Grounds for de-registration).

10.3.5 Subject to Rule 10.3.1, the Trustees are only permitted to make payments out of the Fund to or in respect of a Member which are authorised for the purposes of Section 164 of the Finance Act 2004 (Authorised Member Payments) and any attempt to make such a payment shall be void.

10.4 Scheme sanction charge

If the Trustees (or other Scheme Administrator) are liable for a Scheme Sanction Charge in respect of any Member or other beneficiary the Trustees (or Scheme Administrator) are entitled to deduct that Scheme Sanction Charge from the benefits otherwise due to him or

from his Personal Account in such manner as the Trustees determine. The Scheme Administrator is entitled to rely on and enforce the terms of this Rule.

10.5 Annual allowance

The Trustees shall select one or more nomination dates in respect of the Scheme for the purposes of Section 238 of the Finance Act 2004 (Pension input period) and each Member shall be deemed to consent to the Trustees making the selection of the nomination date for the purposes of that Section and shall not make any contrary selection.

10.6 Lifetime Allowance Charge

10.6.1 When any Benefit Crystallisation Event occurs the relevant Member (or their personal representatives) must provide the Trustees with such information as they may reasonably require in relation to the extent to which (if any) his Lifetime Allowance is available. If any Member fails to provide that information, the Trustees are entitled to assume that none of the Member's Lifetime Allowance is available.

10.6.2 The Trustees may require a Member to take such benefits as represent the chargeable amount for the purposes of Section 215 of the Act as a lump sum payment and the benefits otherwise payable to or in respect of the Member shall be reduced on account of the lump sum by such amount as the Trustees decide.

10.6.3 Where a Lifetime Allowance Charge is paid by the Fund in respect of a Member the Trustees shall, unless the Principal Employer and the Trustees agree otherwise, deduct that charge from the benefits otherwise payable to or in respect of the Member.

10.7 Income drawdown

Where immediately prior to 6 April 2006 a Member was in income drawdown or income withdrawal under the tax regime which applied prior to that date, he shall be deemed from that date to have elected to receive an Unsecured Pension under Rule 4.4.

10.8 Enhanced Protection

10.8.1 The provisions of this Rule 10.8 apply where any Member has obtained a certificate from HM Revenue & Customs to confirm that he qualifies for enhanced protection under paragraph 12 of Schedule 36 to the Finance Act 2004.

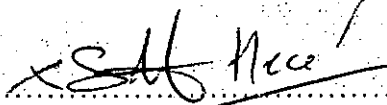
10.8.2 Any Member to whom this Rule applies is deemed to have forfeited any right to benefits under the Scheme to the extent that those benefits exceed the limits which applied to the Scheme on 5 April 2006 as a scheme which was approved by HM Revenue & Customs under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988.

10.8.3 Subject to Rule 10.8.4, in relation to any Member of the Scheme, who is entitled to enhanced protection, no further contributions shall be paid to the Fund (whether by the Member or by his Employer) or amounts credited to his Personal Account on or after 6 April 2006 (other than investment returns).

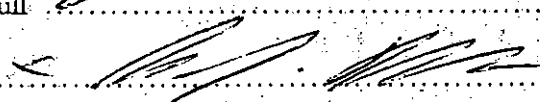
10.8.4 During any period after 5 April 2006 when a Member is entitled to enhanced protection any attempt to award additional benefits, pension increases or contributions to or in respect of the Member is void unless the Member provides consent in writing to that award and confirms that he should no longer be treated as being entitled to enhanced protection.

10.8.5 The Trustees shall not be under any liability to any Member for breach of the provisions of this Rule 10.8 in respect of any period between 6 April 2006 and the Member providing to the Trustees the certificate referred to in Rule 10.8.1.

EXECUTED as a Deed by
the Principal Employer
acting by :

Signature  Director

Name in Full

Signature  Director/Secretary

Name in Full

Scheme No. 550815

SIGNED AND DELIVERED as a Deed by
GRAHAME JOHN BELL

Signature *[Signature]*
SIGNATURE OF TRUSTEE

In the presence of < *[Signature]*
SIGNATURE OF WITNESS

Witness Name *[Signature]* DAVID HASTIE

Address 52E CLEEDON DRIVE GLASGOW G12 0NV

Occupation I.F.A.

**THE COMMON SEAL OF
NAMULAS PENSION TRUSTEES LIMITED**

was hereunto affixed in the presence of:

Signature *[Signature]* Authorised Signatory

Name in Full *[Signature]*

Signature *[Signature]* Authorised Signatory

Name in Full *[Signature]*