

SCANNED.

DATED 2 February 2006

BROWN CONSULTING SERVICES SSAS

1. Brown Consulting Services Ltd
2. Stephen Michael Brown
3. Jennifer Susan Brown
4. Hornbuckle Mitchell Trustees Limited

SUPPLEMENTAL DEFINITIVE DEED AND RULES

THIS SUPPLEMENTAL DEFINITIVE DEED is made the 2 day of February 2006

PARTIES

- (1) **BROWN CONSULTING SERVICES LTD** (formerly known as Brackland Design Associates Ltd and hereinafter called "the Principal Employer") whose registered office is at 17 Topcliffe Way Cambridge CB1 8SJ
- (2) **STEPHEN MICHAEL BROWN** and **JENNIFER SUSAN BROWN** both of 17 Topcliffe Way Cambridge CB1 8SJ and **HORNBUCKLE MITCHELL TRUSTEES LIMITED** whose registered office is at Cotton Court Middlewich Road Holmes Chapel Cheshire (hereinafter called "the Trustees")

RECITALS

- (A) By a Declaration of Trust (hereinafter called "the Interim Deed") dated the Sixth day of December One thousand nine hundred and eighty nine there was established a retirement benefits scheme called Breckland Design Associates Ltd Pension Plan (hereinafter called "the Scheme") to commence on and operate from the Sixth day of December One thousand nine hundred and eighty nine (hereinafter called "the Commencing Date")
- (B) This deed is supplemental (inter alia) to (i) Trust and Rule Amendments (hereinafter called "the Old Definitive Deed") made on the Sixth day of December One thousand nine hundred and eighty nine and the rules attached thereto (hereinafter called "the Old Rules") which sets out the existing definitive provisions of the Scheme and (ii) a Deed of Appointment and Amendment dated the 2 day of February 2006 whereby Stephen Michael Brown and Jennifer Susan Brown was appointed as a trustee to the Scheme and Hornbuckle Mitchell Trustees Ltd was appointed as Pensioner Trustee to the Scheme and the name of the Scheme was changed to the **BROWN CONSULTING SERVICES SSAS**
- (C) By virtue of Rule 17 of the Old Definitive Deed the Principal Employer may alter add to or modify all or any of the provisions of the Scheme

OPERATIVE PROVISIONS

1. GENERAL

1.1 Application

- (a) This Deed confirms that the Scheme was established under irrevocable trusts with effect from the Commencing Date.
- (b) The Trustees hereby replace all and any existing documentation with the Deed and the Rules attached hereto with effect from the Commencing Date.
- (c) Notwithstanding Clause 1.1(b), nothing in this Deed shall operate so as to invalidate or affect any act or entitlement or the exercise of any power, discretion or right before the date of this Deed by the Trustees or any of the Employers, nor shall it operate so as impose the requirements of any legislation or change in Inland Revenue practice earlier than the effective date of such legislation or change in practice.
- (d) Pursuant to Clause 1.1(c), each and any such act or entitlement or exercise of power, discretion or right has been effected in accordance with the relevant statutory or Inland Revenue discretionary requirements in force at the appropriate time and the terms of any explanatory literature issued to Members.

1.2 Trustees

The appointment of the Trustees named above as the trustees of the Scheme is hereby confirmed.

1.3 Administrator

The administration and management of the Scheme shall be vested in the Trustees. Subject to Clause 4.6 the Trustees shall be the administrator for the purposes of Chapter I of Part XIV of the 1988 Act.

1.4 Object of the Scheme

The object of the Scheme is the provision of relevant benefits as defined in the 1988 Act for and in respect of the Members.

1.5 Irrevocable Trust

The Fund shall be held by the Trustees upon irrevocable trust to be applied in or towards the provision of benefits in accordance with and subject to the provisions of this Deed.

1.6 Registration

The Trustees, the Employers and such other persons as may be prescribed by regulations made under the 1993 Act shall provide the Registrar of Occupational and Personal Pension Schemes with such information regarding the Scheme as may be prescribed under those regulations.

1.7 Governing Law

This Deed shall be construed in accordance with English law.

1.8 Definitions

The definitions set out in Rule 1 of the Rules apply equally to this Deed.

1.9 Headings

The headings in this Deed and the Rules are for convenience only and shall not form part of or affect the construction of the Deed or the Rules.

1.10 Legislation

Reference to any Act of Parliament includes any statutory modification or re-enactment of it and any regulations made thereunder for the time being in force

2. NO PERPETUITY PERIOD

The Scheme shall be exempt from the operation of any rules of law relating to perpetuities during any period while it qualifies under the relevant provisions of the 1993 Act. If such exemption should not apply prior to any of the events leading to the winding-up of the Scheme under Rule 40, the perpetuity period shall be 80 years from the date of the Interim Deed.

3. PRINCIPAL EMPLOYER'S COVENANT WITH THE TRUSTEES.

The Principal Employer hereby covenants with the Trustees that until the determination of the trusts of the Scheme and the dissolution of the Fund it will duly perform and observe all the conditions stipulations and provisions which under the Scheme ought from time to time to be performed and observed by the Principal Employer.

4. APPOINTMENT, REMOVAL AND RETIREMENT OF TRUSTEES AND ADMINISTRATOR

4.1 Power of appointment and removal of Trustees

The power of appointing a new or additional trustee or trustees of the Scheme and the power to remove any one or more of the Trustees shall be vested in the Trustees and shall be exercised by deed executed by all of the Trustees. However, at any time following the happening of an event described under sub-Rule 39.1 where the Scheme falls to be wound-up, such power may not be exercised in relation to the removal of the Pensioner Trustee.

4.2 Number of Trustees

Unless a body corporate be appointed sole trustee of the Scheme or becomes the sole trustee in accordance with Clause 4.4 below, the number of trustees shall not be less than two. If their number is reduced below two the powers of the Trustees shall not be suspended but (except as aforesaid) the necessary replacement Trustee shall be appointed as soon as practicable.

4.3 Pensioner Trustee

While Inland Revenue Approval so requires, at least one trustee shall be a Pensioner Trustee, except for any period where Rule 8 of the Special Rules does not require it. The Pensioner Trustee may not be replaced or removed from office without the consent of all the Trustees.

4.4 Resignation etc. of Trustees

The Trustees or any of them may resign their appointment as the Trustees or trustee hereof by serving on the other Trustees one month's notice in writing to that effect and at the expiration of any such notice the trustees or trustee so resigning shall be deemed to have retired from the trust and the trustee or trustees so resigning shall execute such documents and do such things as may be necessary to give proper effect to such retirement.

A Pensioner Trustee may only retire if the provisions of Rule 8 of the Special Rules are satisfied.

A trustee shall be deemed to have vacated office who shall have died, or become bankrupt, or gone into liquidation, or had any receiver or administrator appointed in relation to any assets of such Trustee.

In the event of an insolvency practitioner being appointed to one of the Employers, or on cessation of trading of one of the Employers, then if the Employer concerned is a trustee of the Scheme the said trustee shall be deemed to have vacated office.

4.5 Trustees' meetings : Trustees decisions

Except where the Trustees are a body corporate acting as sole trustee, then subject to 28 days' notice of a meeting being given to each of the Trustees, the Trustees may meet together for the despatch of business adjourn and otherwise regulate their meetings as they think fit.

The Pensioner Trustee shall be provided with a written statement of the proposed business to be discussed in advance of each such meeting and any relevant documents and correspondence relating thereto, and may vote at such meetings by post or by proxy.

All decisions of the Trustees shall be unanimous.

Investment decisions shall be only be taken with the written consent of the Members and then having regard to the provisions of the Financial Services Act 1986 and the 1995 Act. The Pensioner Trustee may veto any decision.

4.6 Appointed administrator

The Trustees may appoint a person or body corporate to act as administrator for the purposes of Chapter I of Part XIV of the 1988 Act and may remove any appointed administrator. An appointed administrator may resign their appointment by serving one month's notice (or such shorter period as the Trustees may accept) on the Trustees.

If no appointed administrator is acting for the aforementioned purposes the Trustees shall so act.

4.7 Relevant Persons as trustees

Each Relevant Person shall be a trustee with effect from the date of becoming a Member or Former Spouse Participant, shall remain as a trustee for so long as they are entitled to any benefit under the Scheme, and shall immediately cease to be a trustee on ceasing to be entitled to benefit under the Scheme

5. TRUSTEES POWER OF DELEGATION

5.1 General

The Trustees shall have power to delegate (by power of attorney or otherwise) to any one or more of their number or to any person or persons or a body of persons all or any of the powers duties authorities and discretions including the formation of any opinion hereby conferred upon the Trustees as they may deem necessary or desirable for the convenient administration of their duties hereunder, including the operation of any banking accounts, and in relation thereto:-

- (a) on or at any time following the happening of an event described under sub-Rule 39.1 where the Scheme falls to be wound-up the operation of such bank accounts shall be carried out by the Pensioner Trustee; and
- (b) in circumstances where the Inland Revenue requires it, there shall be two co-signatories (one of whom shall be the Pensioner Trustee) to any banking accounts.

Notwithstanding anything to the contrary in this Clause any delegate appointed pursuant to this Clause shall have such of the trusts powers duties authorities and discretions for the time being vested in the Trustees under this Deed and the Rules, including the power to delegate under this

Clause, as the Trustees shall from time to time think fit and arrange with such delegate and the Trustees shall not be bound to supervise the proceedings or be in any way chargeable or accountable for any loss which may be incurred by reason of the act or default of any such delegate or sub-delegate appointed as aforesaid.

5.2 Nominees

The Trustees may hold all or any part of the Fund in the name of one or more nominees.

5.3 Investment Managers

The Trustees shall have power to appoint one or more investment managers or investment or custodian trustees for the Scheme, whether individual or corporate, on such terms as to remuneration and otherwise as shall from time to time be agreed by the Trustees. The Trustees may delegate to any such manager or trustee all or any of the powers, duties and discretions (including the forming of opinions) vested in or required from the Trustees as to the investment or application of the Fund under the provisions of Clause 5.1 or under the general law.

6. TRUSTEES' POWER OF INVESTMENT

6.1 Legal control

All investments and monies for the time being constituting the Scheme and any insurances or annuity contracts that have been effected for the purposes of the Scheme will be held under the legal control of the Trustees.

6.2 General powers

Subject to Clause 6.4 so much of the assets comprised in the Fund as shall not be required under the provisions of the Rules for making any current payment shall be invested by the Trustees in the purchase of or at interest upon the security of such stocks funds shares securities obligations units in unit trusts exempt funds or mutual funds, traded options, financial futures, commodities, commodity futures or foreign currencies, freehold or leasehold land and buildings or other property of whatsoever nature and wherever situate and whether involving liability or not and whether producing income or not or in or upon such loans (except loans to Members or persons having a contingent interest under the Scheme through such Members) or deposits either secured or unsecured as the Trustees in their discretion and without being responsible for loss think fit to the intent that the Trustees shall have the same full and unrestricted powers of investment and of transposing investments in all aspects as if the Trustees were absolutely and beneficially entitled thereto.

Any such loans to or deposits with any of the Employers shall be made on normal commercial terms and at a normal commercial rate of interest.

6.3 Joint ventures

Subject to Inland Revenue Approval where appropriate, the Trustees may participate in any investment or venture jointly with any other party or parties whether the interest of the Trustees is that of partner or of trustee holding the same upon trust for sale or otherwise. The interest of the Trustees in the investment or venture may be a minority, a majority or an equal interest.

6.4 Limitations and other requirements in relation to power of investment

The Trustees' powers described in this Clause 6 shall be subject to the restrictions set out in Rules 3,4,5,6, and 7 of the Special Rules and to the Special Regulation.

6.5 Employer-related investments

Any decision to invest any part of the Fund in employer-related investments shall be agreed in writing by all Members and those persons who otherwise qualify for benefits under the Scheme by reason of their Pensionable Service.

7. TRUSTEES POWER TO BORROW

Subject to Rule 2 of the Special Rules, the Trustees may from time to time borrow money for the purposes of the Scheme at such rate of interest and on such terms as the Trustees shall consider reasonable including money borrowed for the purpose of investment and may for this purpose mortgage charge or otherwise use as security any or all of the assets of the Scheme including and without prejudice to the generality hereof any real or personal property from time to time held for the purposes of the Scheme including any property purchased with any such borrowed money.

8. TRUSTEES POWER RE LAND AND BUILDINGS

The Trustees have power to lease mortgage manage repair build develop equip furnish and improve any land heritable or immovable property which may from time to time form part or all of the assets of the Scheme and the Trustees may in that behalf make an outlay of the income or capital of the Scheme or any part thereof.

9. TRUSTEES POWER OF INSURANCE

The Trustees shall have the power to insure against loss or damage by fire or from any other insurable risk any property for the time being subject to these presents to any amount and to pay all premiums for any such insurance at their discretion out of income or capital and so that any money received under such insurance shall be applicable at their discretion either in or towards making good the loss or damage in respect of which it was received or otherwise as if it were proceeds of sale of the property insured.

The Trustees shall also have power to insure themselves (and where a body corporate is a trustee of the Scheme its directors officers servants or shareholders) and any of their delegates against liability for breach of trust not involving (a) the personal conscious wrongdoing or fraud of themselves or the person concerned or (b) fines imposed for criminal offences or as civil penalties under the 1995 Act.

The cost of such insurances shall be borne by the Fund.

10. TRUSTEES POWER OF MODIFICATION

The Trustees may by deed or resolution modify all or any of the provisions of the Scheme. Such power may be exercised at any time (including any time during any winding-up or partial winding-up of the Scheme) and includes power to amend retrospectively.

However, this Clause shall be read and construed as if any restriction on the Trustees' power of modification contained in any document executed in respect of the Scheme prior to the date of execution of this Deed were incorporated herein.

This power may not be exercised in a manner which might detrimentally affect any entitlement or accrued right (as described in the 1995 Act) in respect of any Member which was acquired before the effective date of the amendment unless the 1995 Act otherwise allows..

11. SPECIAL PROVISIONS RELATING TO THE PENSIONER TRUSTEE

The Pensioner Trustee will:-

- (a) not agree to any termination of the Scheme otherwise than in accordance with Part VII of the Rules
- (b) not delegate any of the powers to any other Trustee of the Scheme or to any outside person or body acting on behalf of any other Trustee of the Scheme so as to circumvent the provisions of sub-clause (a) above.

12. PROFESSIONAL CHARGES

Any Trustee being a Solicitor Accountant or other person engaged in any profession or business including, without limitation, professional trusteeship, shall be entitled to receive commissions and to charge and be paid all usual professional and other charges for work done by him or his firm in connection with the Scheme whether in the ordinary course of his profession or business or not and including acts which a trustee not being in any profession or business could have done personally.

13. PROFESSIONAL ADVICE

The Trustees may from time to time seek the advice of a lawyer, accountant, actuary or other professional person or body corporate offering advice provided by such a professional person on such terms as to their duties and remuneration as the Trustees shall deem appropriate and the Trustees shall not be responsible or liable for any loss resulting from advice so obtained. In particular they shall appoint an Actuary (as provided in Clause 18) to perform the duties which under the Scheme ought from time to time to be performed by an Actuary, and shall appoint other advisers where the provisions of the 1995 Act so require.

None of the Trustees shall act as Actuary or auditor to the Scheme.

14. AMALGAMATION

14.1 General

At the discretion of the Trustees the Scheme may absorb or be absorbed by and be amalgamated with any other scheme established for the provision of benefits to employees of any of the Employers or of such other employer being a subsidiary associated or holding company of any of the Employers on such terms and conditions as the Trustees shall determine.

14.2 Scheme absorbed by another scheme

In the event that the Scheme is absorbed by another scheme as provided in Clause 14.1 the Trustees shall transfer the assets of the Scheme to the trustees for the time being of such other scheme and shall thereafter relinquish and be free from all responsibility with regard thereto.

14.3 Inland Revenue

Any amalgamation under the provisions of this Rule shall be subject to the prior approval of the Board of Inland Revenue.

15. NEW PRINCIPAL EMPLOYER

15.1 A substitution of a new Principal Employer may be made if at any time:-

(a) in the opinion of the Trustees, it is expedient in the interests of the main object of the Scheme that a company or firm (the "New Company") should become the Principal Employer in substitution for the existing Principal Employer (the "Old Company") and

(b) the Trustees are satisfied that such substitution will not prejudice Inland Revenue Approval.

15.2 Such substitution may be made only by deed executed by the Trustees and the New Company and (if the Old Company shall not have gone into liquidation) the Old Company.

15.3 Such deed shall contain a covenant by the New Company with the Trustees to undertake all the liabilities of the Principal Employer under the Scheme, and may contain a discharge of the Old Company from all further liabilities under the Scheme (except to the extent that the Old Company may undertake the liabilities of an Associated Employer).

16. INCLUSION OF SUBSIDIARY OR ASSOCIATED EMPLOYERS

The Principal Employer may with the consent of the Board of Inland Revenue and the agreement of the Trustees extend the scope of the Scheme so as to provide such benefits for and in respect of any class of persons whose employer is for the time being a subsidiary or associated company of the Principal Employer and which enters into a deed with the Principal Employer and the Trustees binding such employer to comply with and observe the provisions of this Deed and the Rules in relation to an Associated Employer and such class of persons who are duly admitted to membership.

If any Associated Employer ceases to be acceptable for the purposes of Inland Revenue Approval, such Associated Employer shall be deemed to have withdrawn from the Scheme on the date of expiry of such period as the Inland Revenue shall permit for its continued participation in the Scheme.

17. TRUSTEES' LIABILITY AND INDEMNITY

17.1 General limitation on liability

Without prejudice to the right of indemnity given by law to trustees none of the Trustees (and where a body corporate is a trustee of the Scheme none of its directors officers servants or shareholders) shall as a trustee of the Scheme or in respect of the exercise of his rights or powers hereunder (or the

failure to exercise the said rights or powers) incur any personal responsibilities or be liable for anything whatever except for fraud, other crime or personal conscious wrongdoing.

17.2 Liability for monies

The Trustees will be liable only for such monies as they actually receive and will not guarantee any interest in respect of such monies. The Trustees will not be obliged to see that any contributions or other monies payable under the Scheme to them or as they shall direct are paid.

17.3 Indemnity from the Employers

The Principal Employer shall indemnify and keep indemnified the Trustees (and where a corporate body is a trustee of the Scheme any or all of its directors officers servants or shareholders) and each of them against all or any claims fines cost loss or damages and expenses which they or he may pay or incur which may be made against them or him in connection with the carrying out of the trusts of these presents. Such indemnity shall include the liability of the Trustees for the remuneration of and all or any claims costs loss damages and expenses which they may incur by action of any person lawfully appointed by them for the carrying out of the purposes of the Scheme. Each of the Employers other than the Principal Employer shall at all times indemnify the Principal Employer for that part of the liabilities under this Clause which is in the same proportion as the value of the accrued interests in the Fund of the employees of that Employer bears to the total value of the Fund.

17.4 Indemnity from the Fund

To the extent that the Employers shall fail within a reasonable time to indemnify the Trustees or any of the directors officers servants or shareholders of a corporate Trustee, as the case may be, in accordance with Clause 17.3, they shall be indemnified out of the Fund except against fines imposed for criminal offences or as civil penalties under the 1995 Act.

17.5 Former Trustees

The provisions of this Clause shall apply to former trustees of the Scheme in the same manner as they apply to current trustees of the Scheme.

18. PERIODIC VALUATIONS

The Trustees shall appoint an Actuary to the Scheme, and may in similar manner remove and replace such Actuary from time to time. The Trustees shall obtain advice from the Actuary whenever they are required under this Deed to do so, and at such other times as they consider it necessary or expedient, or are required by any statutory provision to do so.

The Trustees shall obtain actuarial valuations in relation to the Scheme from the Actuary in accordance with Inland Revenue requirements. The valuations shall be obtained at intervals of not more than three years or in relation to any particular valuation such longer interval as the Board of Inland Revenue may allow. The Trustees shall submit to the Board of Inland Revenue:-

- (i) a copy of the Actuary's report arising from the valuations as may be required by the said Board and
- (ii) a schedule stating the investments of the Fund as at the date of the valuation or as at such other date and in such form as may be required by the said Board.

19. EXPENSES OF ADMINISTRATION

The expenses and costs of administration in connection with the Scheme may be borne by the Employers in such proportion by each Employer as the Trustees shall deem appropriate. Such expenses and costs of administration as are not borne by the Employers shall be borne by the Fund. However, where permitted by law, the Trustees may recover any such sums from a Relevant Person (whether by a reduction in benefits under the Scheme or otherwise).

20. SCHEME ACCOUNTS

The Trustees may obtain audited accounts at any time if such accounts are requested by any statutory authority, and shall do so if requested by the Scheme Actuary or the Pensioner Trustee

21. NOTICE TO TRUSTEES


Any notice which under the Scheme is required to be given to or served upon the Trustees will be deemed to be sufficiently given to or served upon all the Trustees if given in writing and either delivered to one of the Trustees or sent through the post to the Trustees at their last known addresses.

**SIGNED as a DEED by the
authorised signatories on behalf of
BROWN CONSULTING SERVICES LTD**

Director

.....

Director/Company Secretary

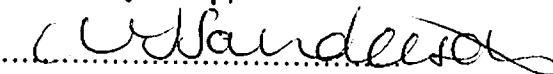
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**SIGNED as a DEED by the
authorised signatories on behalf of
HORNBUCKLE MITCHELL TRUSTEES LIMITED**

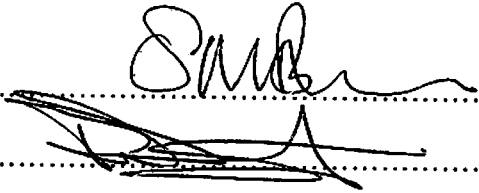
Director

.....

Director

.....

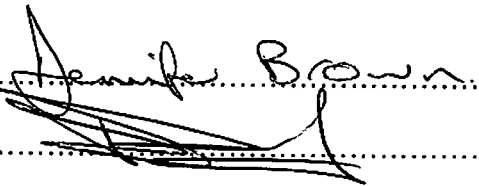
SIGNED as a DEED by
STEPHEN MICHAEL BROWN



In the presence of (witness signature)

Witness Name R.J. DENT
Address 73 New Street
..... St. Neots.
Occupation FINANCIAL ADVISER.

SIGNED as a DEED by
JENNIFER SUSAN BROWN



In the presence of (witness signature)

Witness Name RJ DENT.
Address 73 New Street
..... St. Neots.
Occupation FINANCIAL ADVISER.

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APPENDIX I - REVENUE LIMITATIONS

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RULES

PART I

1. *Definitions*

In these Rules, where the context admits, the masculine includes the feminine, the singular includes the plural and vice versa and the following expressions have the following meanings:-

"Actuary" means a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries in Scotland or a firm of actuaries whose partners are so qualified or an actuary or actuaries so qualified employed by a body corporate which passes on to the Trustees the advice of that actuary or those actuaries

"Aggregate Retirement Benefit" means the total of

(i) a Member's pension arising from the Scheme and any Associated Scheme. For a Special Director who is a 1989 Member, Aggregate Retirement Benefit also includes any benefits from either a retirement annuity contract approved under Chapter III of Part XIV of the 1988 Act or a personal pension scheme approved under Chapter IV of Part XIV of the 1988 Act insofar as those benefits are secured in respect of Service: and

(ii) the pension equivalent of a Member's Lump Sum Retirement Benefit. In calculating the amount of the Aggregate Retirement Benefit of a 1989 Member who ceases to be in Pensionable Service on or after 31st August 1991 the pension equivalent of the Member's Lump Sum Retirement Benefit is one twelfth of its total cash value

"Announcement" means the announcement provided to each Relevant Person at the date of joining the Scheme describing the terms of the Scheme as they apply to him.

"Approved Arrangement" means any retirement benefits scheme, personal pension scheme, annuity policy which satisfies the requirements of section 591(2)(g) of the 1988 Act, retirement annuity contract or trust scheme which is approved or seeking approval under Part XIV of the 1988 Act.

"Associated Employer" means a company or firm which participates in the Scheme under Clause 16 of the Trust Deed.

"Associated Employment" means two or more concurrent employments held by the Member which are associated, i.e. where

(a) there is a period during which the Member has held all of them,

(b) the period counts under the Scheme in the case of all of them as a period in respect of which benefits are payable,

(c) during the period all the Employers in question are associated

"Associated Scheme" means

(a) for a 1989 Member any Relevant Scheme which is a Connected Scheme or which provides benefits in respect of Service, or

(b) for a pre-1989 Member any Relevant Scheme providing benefits in respect of Service.

"Authorised Insurer" means:-

(a) any insurance company to which Part II of the Insurance Companies Act 1982 applies and which is authorised by or under Section 3 or 4 of that Act to carry on ordinary long-term insurance business as defined in that Act, or

(b) an EC company as defined in Section 2(6) of the Insurance Companies Act 1982 which satisfies the requirements of Section 659B of the 1988 Act.

"Chapter" means Chapter I of Part XIV of the 1988 Act or any statutory amendment modification or re-enactment thereof for the time being in force.

"Commencing Date" means the Commencing Date described in the Trust Deed.

"Connected Scheme" means any Relevant Scheme which is connected to the Scheme in relation to a Member, i.e. if

(a) there is a period during which the Member has been employed by two of the Employers

(b) the period counts under both schemes as a period in respect of which benefits are payable

(c) the period counts under one scheme for Service with one of the Employers and under the other scheme for Service with the other Employer.

"Date of Retirement" means in relation to a Member who retires (or is treated as retiring under Rule 15 or 22) from Service under Rule 10 or 12 or sub-Rule 11.1 the date on which he retires or is treated as retiring as aforesaid and in relation to a Member who leaves Service under Rule 16 or a Former Spouse Participant means the date on which the pension commences in accordance with Rule 16 or sub-Rules 11.2. or 12.3.

"Dependant" means a Relevant Person's spouse or any other person who in the opinion of the Trustees was financially dependent on the Member or dependent on the Member or because of disability, at the date of the Relevant Person's death or retirement; subject to the following:

(a) a Relevant Person's child (including an adopted child) shall initially be classed as a Dependant until reaching age 18 or later if dependent on the Relevant Person due to disability, or continuing to receive full-time educational or vocational training after that age; any other child may be treated as a Dependant in the same way except that initially the child must be also be financially dependent on the Relevant Person or dependent on the grounds of disability; and

(b) an unmarried partner of the Relevant Person or other person, whether of the same or opposite sex, may qualify as a Dependant if the person relied upon the Relevant Person's income to maintain their standard of living, including a person whose standard of living was dependent upon the joint income of themselves and the Relevant Person prior to the Relevant Person's death.

"Employers" means the Principal Employer and any Associated Employer in accordance with the provisions of Clause 16 of the Trust Deed and in relation to an individual Member means those of the Employers by which he is for the time being or was most recently employed.

"Final Remuneration" means the greater of

(a) the Member's highest basic salary from the Employers upon which tax liability has been determined for any one of the five years before Pensionable Service ends, plus the yearly average of fluctuating earnings for the three years (or other period decided by the Trustees as would not affect Inland Revenue Approval) ending on the last day of that year, provided that fluctuating earnings of a year other than the basic pay year may be increased in proportion to the rise in the Index from the last day of that year to the last day of the basic pay year and

(b) the yearly average of the Member's total earnings from the Employers which are assessable under Case I or II of Schedule E and upon which tax liability has been determined for any three or more consecutive years ending not earlier than ten years before Pensionable Service ends. Where such earnings are received after the end of any relevant year but or earned or qualified for prior to that date, they may be included in a manner consistent with Inland Revenue Approval

subject to the following:-

(i) for a Member whose Remuneration has been substantially reduced due to Incapacity for a period of more than ten years before Pensionable Service ends, Final Remuneration may be calculated at the date when the Member's remuneration was first reduced

(ii) where Final Remuneration is calculated using a year other than the twelve months before Pensionable Service ends, the Member's actual remuneration for that year may be increased in proportion to any rise in the Index from the last day of that year up to the end of Pensionable Service

For a pre-1987 Member this method may only apply to the calculation of the maximum amount of the cash payment for the purposes of Revenue Limitations if it is also used to increase the Member's pension benefits in the same proportion

(iii) an early retirement pension from the Employers may not be included in Final Remuneration

(iv) no account will be taken of any earnings connected with shares or the right to acquire shares or anything where tax is chargeable under Section 148 of the 1988 Act except where the shares or rights had been acquired before 17th March 1987

(v) for a Special Director, or any other Member whose remuneration in any tax year after 5th April 1987 has exceeded £100,000 (or other figure prescribed in a Treasury order) Final Remuneration is calculated as in (b) above

(vi) for a pre-1989 Member in calculating the maximum amount of the Lump Sum Retirement Benefit the maximum Final Remuneration is £100,000 (or other figure prescribed in a Treasury order). This restriction shall not apply to a pre-1987 Member

(vii) for a 1989 Member Final Remuneration shall not exceed the Permitted Maximum

(viii) the total amount of any profit-related pay (whether relieved from income tax or not), and benefits in kind assessable for tax under Schedule E (or in other circumstances agreed with the Inland Revenue), may be included under (a) and (b) above and treated as fluctuating earnings.

(ix) the agreement of the Board of Inland Revenue must be sought if it is intended to include under (a) above fluctuating earnings which were payable in a single year only.

(x) where at any relevant date Final Remuneration cannot be calculated in full because tax liability on the whole of the Member's Remuneration has not been determined, it may be calculated using those elements of Remuneration which have been finally determined for tax purposes and benefits may be provided on an interim basis. Further benefits may be provided if appropriate when tax liability is fully determined but such further benefits must not cause the Member's total benefits to exceed the appropriate Revenue limits calculated at the date on which benefits were first taken.

"Former Spouse" means an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order, agreement or equivalent provision.

"Former Spouse Participant" is a Former Spouse who participates in the Scheme. For this purpose the Former Spouse Participant must participate in the Scheme, either

- (i) solely for the provision of a Pension Credit Benefit, or,
- (ii) for the wholly separate provision of a Pension Credit Benefit, where benefits accrue or have accrued to that individual under the Scheme for any other reason.

"Fund" means all the assets held by the Trustees for the purposes of the Scheme.

"FSAVCS" means a freestanding additional voluntary contribution arrangement outside the terms of the Scheme to which the Member has contributed.

"Index" means the Government's Index of Retail Prices.

"Incapacity" means physical or mental deterioration which, in the opinion of the Trustees (after obtaining such medical evidence as they see fit) prevents the Relevant Person from following his normal employment or seriously impairs the Relevant Person's earning capacity.

"Inland Revenue Approval" means approval of the Scheme by the Board of Inland Revenue as an exempt approved scheme as defined in the Chapter.

"Lump Sum Retirement Benefit" means the total value of all retirement benefits payable in any form other than non-commutable pension arising from the Scheme and any Associated Scheme. For a Special Director who is a 1989 Member, Lump Sum Retirement Benefit also includes any benefits from either a retirement annuity contract approved under Chapter III of Part XIV of the 1988 Act or a personal pension scheme approved under Chapter IV of Part XIV of the 1988 Act insofar as those benefits are secured in respect of Service.

"Member" means a person who has been admitted to membership of the Scheme as provided in Part II of the Rules. When a Member leaves Pensionable Service, he is only a Member in relation to any benefit payable to or in respect of him.

"Negative Deferred Pension" means the amount by which the Member's pension or deferred pension under the Scheme which arises from Service, is reduced at the Relevant Date by section 31 of the 1999 Act or under corresponding Northern Ireland legislation, following a Pension Sharing Order, agreement or equivalent provision. For this purpose, Service includes all periods of service with other Employers which have been treated as if they were Service where a transfer payment has been made to the Scheme in respect of that other Service.

"Normal Retiring Date" means the Normal Retiring Date as shown in the Announcement and shall be between age 60 and age 75 inclusive. The Normal Retiring Date of a Former Spouse Participant shall be the same age as the Pension Debit Member to whom the Former Spouse Participant was formerly married.

"Pensionable Service" means the period of Service in respect of which contributions are made under the Scheme in respect of a Member as notified to the Member by the Employer.

"Pension Credit" means a credit under section 29(1)(b) of the 1999 Act or under corresponding Northern Ireland legislation.

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

"Pension Credit Rights" means rights to future benefits under a scheme which are attributable (directly or indirectly) to a Pension Credit.

"Pension Debit" means a debit under section 29(1)(a) of the 1999 Act or under corresponding Northern Ireland legislation.

(b) for a Former Spouse or a Former Spouse Participant, the Pension Credit as varied in either case by

- (A) the earnings by way of interest payments and capital growth less any losses whether realised or not in respect of the investment (or investments) of the Fund or that proportion (or those proportions) of the investment (or investments) of the Fund deemed by the Trustees to have been made in respect of:-
 - (I) the sums received in accordance with (a) and (b) of this sub-Rule and
 - (II) such income to the Fund as is deemed by the Trustees to have arisen from the sums received in accordance with (a) and (b) of this sub-Rule.
- (B) any surpluses in the Fund emerging from sources other than those described in (a), (b) and (A) of this sub-Rule which the Trustees may at their discretion allocate from time to time to the provision of benefits for a Member.
- (C) the payment of any benefits to or in respect of the Relevant Person or his Dependants or other beneficiaries.
- (D) any allowance for the expenses of operating the Scheme on the Member's behalf and providing the Member's benefits which the Trustees may deem appropriate (including any cost of termination of the Scheme under Rule 40.1 which is not payable by or recoverable from the Employers)
- (E) in the case of a Pension Debit Member who is not in receipt of a pension, any Pension Debit.

"Principal Employer" means the Principal Employer described in the Trust Deed, subject to Clause 15 of the Trust Deed.

"Receiving Administrators" means the managers of a Receiving Scheme.

"Receiving Scheme" means in relation to the transfer of benefits from the Scheme a retirement benefits scheme approved or a personal pension scheme approved or submitted for approval under the 1988 Act or any other arrangement approved for the purposes of the particular transfer by the Board of Inland Revenue or a "buy-out" policy as set out in sub-Rule 17.3.

"Relevant Day" means in the month of February the last day of the month and in any other month the thirtieth.

"Relevant Person" means a Member or a Former Spouse Participant.

"Relevant Scheme" means any other scheme approved or seeking approval under the Chapter, and in respect of a 1989 Member who is also a Special Director, also any retirement annuity contract approved under Chapter III of Part XIV of the 1988 Act or a personal pension scheme approved under Chapter IV of Part XIV of the 1988 Act insofar as those benefits are secured in respect of Service.

"Remuneration" in relation to any year means

(a) for a 1989 Member the aggregate of the total earnings for the year in question

(i) from the Employers, and

(ii) in respect of any Associated Employment or any Connected Scheme

which are assessable to Income Tax under Schedule E but excluding any earnings connected with shares or the right to acquire shares or anything where tax is chargeable under Section 148 of the 1988 Act. No earnings in excess of the Permitted Maximum are included.

(b) for a pre-1989 Member total earnings from the Employers in the year in question which are assessable to Income Tax under Schedule E but excluding any earnings connected with shares or the right to acquire shares or anything where tax is chargeable under Section 148 of the 1988 Act.

"Revenue Limitations" means the limitations set out in the Appendix to the Rules.

"Rules" means these Rules or such other Rules as are for the time being in force having regard to any alterations made therein.

"the Scheme" means the Scheme named and described in the Trust Deed.

"Service" means continuous employment on a permanent basis as an Employee with any of the Employers (together with paid maternity leave or (if appropriate) paid family leave in accordance with Rule 30.1) and Service shall be deemed to be continuous although partly with one such Employer and partly with another or others of such Employers. Subject to the approval of the Board of Inland Revenue the expression Service also includes service with any company absorbed by or amalgamated with any of the Employers or which is otherwise a predecessor in business of any of the Employers.

For a Special Director who is a 1989 Member, this definition shall not include a period of service for an employer who is associated with the Principal Employer by virtue of a permanent community of interest rather than because one employer is controlled by the other or both are controlled by a third party. Where both such employers are participating in the Scheme separate calculations of maximum benefits are required in respect of the separate periods of Service. For the purpose of this paragraph, "control" has the meaning in section 840 of the 1988 Act or, in the case of a close company, section 416 of the 1988 Act.

The Trustees may at their discretion allow the aggregation of broken periods of employment on such terms and conditions as on the advice of the Actuary the Trustees shall think fit except that periods of Service interrupted

(a) by a break of one month or less, or

(b) by absence from work in furtherance of a "trade dispute" as defined in Section 27(3)(b) of the Social Security Contributions and Benefits Act 1992

will be treated as continuous (but excluding the break)

Service shall cease when the Employer employing the Member ceases to participate in the Scheme.

The meaning of Service for the purposes of the Appendix is as set out in section D of the Appendix.

"Special Director" means a Member who at any time on or after 17th March 1987 and in the last ten years before retirement or otherwise ceasing to be in Pensionable Service has been a director as defined in section 612 (1) who is within paragraph (b) of section 417(5) of the 1988 Act in relation to the Employers.

"Special Regulation" means Regulation 5 of the Retirement Benefits Schemes (Information Powers) Regulations 1995.

"Special Rules" means the Special Rules set out at the end of these Rules.

"Spouse" in relation to a deceased Member means the spouse who survives as the Member's widow or widower and to whom the Member was married at the date of the Member's death.

"the Trust Deed" means the Deed to which these Rules are attached

"the Trustees" means the trustee or trustees for the time being of the Scheme.

"1999 Act" means the Welfare Reform and Pensions Act 1999.

"1995 Act" means the Pensions Act 1995.

"1993 Act" means the Pension Schemes Act 1993.

"1989 Member" means a Member who is not a pre-1989 Member

"pre-1989 Member" means a Member

(a) who joined the Scheme before 1st June 1989 being a scheme which commenced before 14th March 1989, or

(b) who the Board of Inland Revenue have agreed in writing to be a pre-1989 Member by virtue of previous membership of a Relevant Scheme

and who in either case has not opted to become a 1989 Member.

A pre-1989 Member may opt to be treated as a 1989 Member at any time before benefits commence, are bought out or otherwise transferred from the Scheme or the attainment of age 75 whichever first occurs.

"the 1988 Act" means the Income and Corporation Taxes Act 1988.

"pre-1987 Member" means a pre-1989 Member

- (ii) membership commences or continues because the following circumstances and conditions are satisfied:

The circumstances are that:

- (A) there is a definite expectation that the employee will come to the United Kingdom either to take up employment with an Employer participating in the Scheme (such an expectation should be evidenced in writing), or to retire,

or

- (B) the employee's earnings remain effectively chargeable because he only works overseas for periods which total less than 365 days in any year.

The conditions are that

- (I) the United Kingdom Employer or the United Kingdom branch of the overseas Employer should continue to pay the Scheme any Employer contributions due, but must be reimbursed by the overseas Employer for the costs, unless the PSO has specifically agreed otherwise;
- (II) the prospective pension in respect of the Service abroad should be calculated and funded by reference to the rate of remuneration appropriate for similar employment in the United Kingdom; and
- (III) the period of Service abroad should not exceed 10 years. If there has been a previous period or periods of Service abroad continuation of Scheme membership is limited to an aggregate of 10 years.

For the purposes of the aggregation calculation

- (I) any period or periods of Service abroad separated from a subsequent period of Service abroad by at least one years Service in the United Kingdom can be ignored and
- (II) any period of Service that arises from the employees performing their duties abroad for a United Kingdom resident Employer who are provided with benefits under an approved Scheme (regardless of whether they are effectively chargeable) can be ignored.
- (d) Benefits for any employees shall be provided in relation only to their periods of Service with and remuneration from the Employers whilst they satisfy the eligibility conditions in paragraph (b) or (c).
- (e) In the event of an employee ceasing to satisfy the eligibility conditions in paragraph (b) or (c) his accrued benefits will be held subject to the Rules until he leaves the Scheme or retires or his benefits are transferred out of the Scheme.

PART III

PENSION SHARING ORDERS

3. *Pension Sharing Orders*

Where the benefits of a Member are subject to the provisions of a Pension Sharing Order, the following shall apply:-

- (a) The Member's Personal Account, (or if the Member is receiving a pension, the benefits payable to the Member in accordance with these Rules) shall be reduced by the Pension Debit.
- (b) Unless (c) below applies, the credit provided to the Former Spouse under the terms of the Pension Sharing Order if not transferred to a Receiving Scheme with the Member's consent, shall be transferred to a Receiving Scheme or otherwise discharged in accordance with the provisions of the 1999 Act and regulations made thereunder. The Trustees shall confirm to the Receiving Administrators that the benefits being transferred relate to a credit under a Pension Sharing Order.
- (c) Where either the Trustees determine, or the Principal Employer determines with the agreement of the Trustees, instead of the payment of a transfer value under (b) above, the Pension Credit or the Pension Credit Benefit provided to the Former Spouse under the terms of the Pension Sharing Order shall be held under the Fund and subject to the terms of the Trust Deed and the Rules on the basis applicable to a Former Spouse Participant.
- (d) Any entitlement to benefit as a Former Spouse Participant shall be additional and entirely separate from any other benefits to which the Former Spouse is entitled as a Member.
- (e) On becoming a Former Spouse Participant, the Former Spouse shall become a trustee in accordance with Clause 4.7 of the Trust Deed.

PART IV

PAYMENTS TO THE FUND

4. Member's Contributions

Each Member in Pensionable Service will contribute to the Scheme at the rate (if any) notified to the Member from time to time.

No rate of contribution determined under this Rule may be altered before the expiry of a period of twelve months from the date on which the first payment at the current rate became due without the specific agreement of the Board of Inland Revenue.

The Members' contributions shall be collected on behalf of the Trustees by the Employers and must be paid to the Trustees within time limits laid down by the 1995 Act.

5. Member's Additional Contributions

In addition each Member in Pensionable Service may make voluntary contributions to the Scheme to secure additional benefits. Where an arrangement to make such contributions commenced on or after 8th April 1987 any retirement benefits so purchased must be in the form of non-commutable pension except to the extent to which the payment of a cash sum is allowed under sub-Rule 14.2.

The Members' voluntary contributions shall be collected on behalf of the Trustees by the Employers and must be paid to the Trustees within time limits laid down by the 1995 Act.

Where the amount of any benefits arising under the Scheme exceeds any relevant Revenue Limitations and any of it is attributable to voluntary contributions, the voluntary contributions (together with any interest on them) which relate to the excess will be refunded to the Member (or failing the Member will be paid to the Member's legal personal representatives) subject first to the deduction of any tax payable under Section 599A of the 1988 Act.

The administrator of the Scheme shall comply with the requirements of Regulation 5 of The Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993 and where the Scheme is the leading scheme in relation to a Member, with the requirements of Regulation 6 of those Regulations so far as they concern main schemes. If these Regulations are amended or replaced by any other Regulations then this Rule will have effect as if it had been amended or replaced accordingly. For the purpose of this Rule the terms "leading scheme" and "main scheme" shall have the meanings given by the Regulations.

6. Maximum Member's Contributions

Notwithstanding anything to the contrary contained in Rule 4 and 5 the Member's total contributions to the Fund and to any other retirement benefit scheme of the Employers approved under the Chapter shall not exceed the maximum set out in Revenue Limitations.

7. Employer's Contributions

Each of the Employers shall during the continuance of the Scheme contribute such amounts as each Employer shall determine with the advice of the Trustees and the Actuary having regard to Revenue Limitations and such other requirements as to the funding of the benefits under the Scheme as are consistent with Inland Revenue Approval. At the date of payment of each such contribution each Employer shall notify the Trustees of the proportion of that contribution deemed by that Employer to be in respect of each Member of the Scheme employed by that Employer.

8. Employer's Additional Contributions

8.1 The Trustees may:-

(a) augment the pension or annuity in course of payment or prospectively or contingently payable out of the Scheme to or in respect of any Member or Spouse or child or other dependant of a deceased Member or the lump sum payable out of the Scheme on the death of any Member and

(b) grant benefits out of the Scheme to any director or employee or former director or employee of such Employers or to the Spouse or child or other Dependant of any such director or employee (without regard to whether he may be or have been a Member of the Scheme) who is not entitled to a benefit out of the Scheme and augment any benefits so granted whether in course of payment or prospectively or contingently payable save that once payment or part payment of any benefit has been made any subsequent augmentation shall be payable only in pension form,

subject to the following:-

(i) the Employer (if such augmentation or grant was made with its consent) shall undertake that there shall be paid into the Scheme such special contributions (if any) as the Actuary may certify to be necessary in order to liquidate any additional liability imposed on the Scheme.

(ii) no benefit payable out of the Scheme shall be granted at or augmented to a level which exceeds Revenue Limitations.

8.2 Any of the Employers may in addition to all other payments herein provided for pay any single or periodical sums into the Scheme by way of a special contribution either for the purposes of augmentation of the Scheme or otherwise.

8.3 The Trustees shall notify the Board of Inland Revenue of any special payment made into the Scheme under the provisions of this Rule in accordance with their requirements.

PART V

RETIREMENT OR WITHDRAWAL FROM SERVICE

9. *Retirement*

Members and Former Spouse Participants shall for the purpose of these Rules be deemed to retire on reaching Normal Retiring Date except those who by special arrangement with the Trustees are allowed to retire at any other date.

The following may not take any benefits in advance of retirement:-

- (a) Former Spouse Participants; and
- (b) 1989 Members, (unless Inland Revenue Approval had been granted to the Scheme before 27th July 1989).

Where a Pension Sharing Order is implemented by the Trustees after the Member's retirement and the Trustees and the Principal Employer agree under Rule 3(c) that a pension is payable from the Scheme, the amount of the pension payable to the Former Spouse will be equal to the Pension Credit.

10. *Normal Retirement*

10.1 A Member who retires from Service on his Normal Retiring Date shall forthwith be paid a pension for life the annual amount of which shall be notified to the Member by the Trustees at the Normal Retiring Date.

10.3 Subject to Revenue Limitations the annual amount of the pension shall be determined by the Trustees on the advice of the Actuary having regard to the Personal Account at the Date of Retirement and such other factors as they consider relevant, reduced in the case of a Pension Debit Member by any Pension Debit awarded after retirement.

11. *Late Retirement*

11.1 A Member who remains in Service after his Normal Retiring Date pursuant to Rule 9 shall on actual retirement be entitled to a pension for life the annual amount of which shall be notified to the Member by the Trustees at the Date of Retirement.

11.2 Subject to the second paragraph of Rule 9 a Relevant Person who is entitled to a deferred benefit under Rule 16 may at Normal Retiring Date with the consent of the Trustees defer receipt of his pension until age 75 subject to the Member having left Service. However, for a Member other than a 1989 Member this option is restricted so that deferment is precluded beyond the later of his Normal Retiring Date and the normal retiring date under his last employer's scheme and the cessation of all employment. On the Date of Retirement the Relevant Person shall be entitled to a pension for life having regard to the Personal Account at that date and such other factors as they consider relevant, and reduced in the case of a Pension Debit Member by any Pension Debit awarded after retirement.

11.3 Subject to Revenue Limitations the annual amount of the pension will be determined by the Trustees on the advice of the Actuary having regard to the Personal Account at the Date of Retirement and such other factors as they consider relevant.

12. *Early Retirement*

12.1 Any Member who has become in the opinion of the Trustees incapable of discharging his duties by reason of permanent physical or mental Incapacity and who has retired from Service in consequence thereof shall (notwithstanding that he may not otherwise be eligible for a pension under the Rules) be entitled on retirement to a pension for life the annual amount of which shall be determined by the Trustees on the advice of the Actuary having regard to the Personal Account at the Date of Retirement and such other factors as they consider relevant subject to Revenue Limitations, reduced in the case of a Pension Debit Member by any Pension Debit awarded after retirement. A Special Director may only retire on the grounds of Incapacity subject to the agreement (or the implied agreement) of the Board of Inland Revenue in accordance with Inland Revenue practice and regulation 9 of the of the Retirement Benefits Schemes (Information Powers) Regulations 1995.

However, if a Member who has retired under the provisions of this Rule should in the opinion of the Trustees recover his health prior to his attaining the Normal Retiring Date then in that event the Trustees may in their absolute and uncontrolled discretion reduce the amount payable to such Member until the Normal Retiring Date at which date the annual amount of pension payable shall be determined by the Trustees on the advice of the Actuary having regard to the Personal Account at that date and such other factors as they consider relevant.

12.2 Any Member who has attained the age of 50 years and who is not eligible to retire under sub-Rule 12.1 may subject to the prior approval of the Trustees retire on pension at any time. In any such case, subject to Revenue Limitations the Member shall receive a pension for life the annual amount of which shall be determined by the Trustees on the advice of the Actuary having regard to the Personal Account at the Date of Retirement and such other factors as they consider relevant.

12.3 A Relevant Person who is entitled to a deferred benefit under Rule 16 may with the consent of the Trustees elect to receive before Normal Retiring Date a pension for life if

(a) the Member in the opinion of the Trustees becomes permanently physically or mentally incapacitated and ceases to be in employment in consequence thereof or

(b) the Member has attained the age of 50 years

the annual amount of the pension to be determined (subject to Revenue Limitations) by the Trustees on the advice of the Actuary having regard to the Personal Account at the Date of Retirement and such other factors as they consider relevant.

12.4 A Member who retires and receives a pension under the provisions of sub-Rules 12.1 or 12.2 shall be entitled (before but not more than two months before actual retirement) by written application to the Trustees to request that an annuity be provided for his spouse as mentioned in Rule 13 and to any such application all the provisions of Rule 13 shall apply with the substitution of a reference to such Member's Date of Retirement for any reference to the Normal Retiring Date.

13. *Dependant's Pension Option*

13.1 A Relevant Person may by written application to the Trustees not more than two months before (but not later than) retirement request that a pension or pensions commencing on the death of such Relevant Person be provided for a Dependant or Dependents of the Relevant Person and the Trustees may grant such application on the terms that the consideration for the pension or pensions shall be the reduction of the Relevant Person's Personal Account by the amount necessary to provide the pension or pensions.

13.2 The amount of the pension or pensions shall subject to Revenue Limitations be that purchased by the amount of the Personal Account given up under Rule 13.2. The pensions will be payable in accordance with Rule 20.

The annual amount of the pension or pensions together with any pension or pensions payable under Rule 23 shall in no case be permitted to exceed the reduced annual pension payable to the Member.

13.3 If the proposed Dependant should die before the Relevant Person but after the Relevant Person retires on pension, only the reduced amount of the Relevant Person's pension will continue to be payable.

13.4 No application under sub-Rule 13.1 shall be capable of withdrawal after being granted by the Trustees except with the Trustees consent in writing.

13.5 Any such application as aforesaid (whether or not granted) will be cancelled should the Relevant Person or the proposed Dependant die before the Relevant Person actually retires on pension.

13.6 In the event of the death of the Relevant Person after reaching Normal Retiring Date but before retiring on pension he shall be deemed for the purposes of this Rule to have retired on pension immediately prior to his death.

14. *Cash Option*

14.1 At the time payment of pension begins and with the consent of the Trustees a Relevant Person may (subject to Revenue Limitations) use part of the Member's Account to provide a cash lump sum.

14.2 If in the opinion of the Actuary the pension value of the Personal Account of a Relevant Person or a Dependant of a Relevant Person does not exceed £260 per annum or any higher amount which may be prescribed from time to time by regulations made under the 1993 Act ("the Maximum Trivial Amount") (before the making of any payment referred to in sub-Rule 14.1 above) from this and all other retirement benefits schemes of the Employers or to which the Employers have contributed or if a Relevant Person is in exceptional circumstances of serious-ill health then when the pension is due to commence the Trustees may pay the whole of the Personal Account as a lump sum payment. In case of a Member who is a Special Director, no such payment may be made on grounds of serious ill health without the prior consent of the Board of Inland Revenue. Where the Former Spouse Participant is also entitled to benefits under the scheme arising from Service as an employee, full commutation of the Pension Credit

Rights on the grounds of triviality will only be permitted where benefits arising from Service as a Member are simultaneously commuted.

Where the Relevant Person or a Dependant of a Relevant Person is receiving a pension that does not exceed the Maximum Trivial Amount (i.e. because of an increase in the Maximum Trivial Amount since the commencement of the pension), the Trustees may exchange the pension for an immediate cash payment.

14.3 Payments made under this Rule shall be subject to the provisions of Rule 33.

14.4 No lump sum may be paid to the Former Spouse Participant where the Member (who was formerly married to the Former Spouse Participant) has already received a Lump Sum Retirement Benefit from the Scheme before the date of the implementation by the Scheme of the Pension Sharing Order, agreement or equivalent provision.

15. *Option to Advance Commencement of Pension*

15.1 If a Member remains in Service after reaching Normal Retiring Date in accordance with Rule 11 he may elect in writing not later than the Normal Retiring Date that for all the purposes of the Scheme he be treated as if he had retired from Service on the Normal Retiring Date.

15.2 If a Member remains in Service after reaching Normal Retiring Date in accordance with Rule 11 and provided that he has not been treated as having retired from Service in accordance with sub-Rule 15.1 above he may elect in writing to give up part of his Personal Account at a date earlier than his Date of Retirement but not earlier than his Normal Retiring Date in order to receive a lump sum in accordance with sub-Rule 14.1.

15.3 Unless Inland Revenue Approval had been granted to the Scheme before 27th July 1989 sub-Rules 15.1 and 15.2 shall only apply to pre-1989 Members.

16. *Deferred Pension*

16.1 Subject as hereinafter provided, either

- (a) a Member who leaves Pensionable Service before his Normal Retiring Date otherwise than by death; or
- (b) an Ex-Spouse Participant who is granted a Pension Sharing Order before the Member's retirement,

and without an early retirement pension being payable under sub-Rules 12.1 or 12.2 shall be entitled to a deferred pension .

16.2 On retirement at Normal Retiring Date the Relevant Person shall be entitled to a pension for life the annual amount of which shall be notified to the Member by the Trustees at the Date of Retirement.

16.3 Subject to Revenue Limitations the annual amount of the pension will be determined by the Trustees on the advice of the Actuary having regard to the Personal Account at the Date of Retirement and such other factors as they consider relevant.

17. *Transfer Payments to Other Schemes*

17.1 Right to a transfer

Subject to sub-Rules 17.2, 17.3, and 17.4 a Relevant Person otherwise entitled to a deferred benefit who either

(a) in the case of a Member withdraws from Pensionable Service at least a year before Normal Retiring Date; or

(b) is a Former Spouse Participant

has a right to require the Trustees to use the Relevant Person's Personal Account to acquire benefits under a Receiving Scheme, although the Trustees may at their absolute discretion allow this for a Relevant Person who does not fall within (a) or (b) above.

Where a Member is subject to a reduction in benefits under Rule 35 of an amount as yet unresolved pending the Trustees' certification the above right is subject to the provisions of the 1993 Act.

17.2 Transfer values

The Trustees may transfer to the Receiving Administrators such assets representing the Personal Accounts applicable to the persons being transferred or such greater amount as the Trustees may direct, to the intent that the said persons shall be entitled to such rights and benefits under the Receiving Scheme (consistent with Inland Revenue Approval) as the Trustees may arrange with the Receiving Administrators. For so long as it is a requirement, a transfer to a Receiving Scheme, including a bulk transfer, is subject to prior consultation with the Board of Inland Revenue.

No transfer may be made

(i) without the consent in writing of the Relevant Persons concerned unless the Trustees are satisfied that consent is not required under the preservation requirements of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991; or

(ii) after benefits have come into payment.

The Trustees shall in making a transfer out of the Scheme:-

(a) certify in writing to the Receiving Administrators what part of the Personal Account represents the Members' contributions, and

(b) notify the Receiving Administrators of any applicable restrictions as to the refund of such contributions upon withdrawal from membership, and shall make it a condition of permitting the transfer that (so long as is required by the Inland Revenue) corresponding restrictions are to be imposed in relation to withdrawal from the Receiving Scheme and maintained upon any subsequent transfers by the Member, and

(c) certify in writing to such administrator the amount of lump sum on retirement under the Scheme. When on or after a transfer has been made to another occupational pension

scheme the Receiving Administrators request such a certificate as is referred to in (ii) of Rule 18, the Trustees shall calculate as at the date of transfer, and supply the Receiving Administrators with a certificate of, the maximum lump sum payable on retirement from the transfer value; and

(d) if the transfer is made to a scheme approved under the Chapter or under Chapter IV of Part XIV of the 1988 Act, a Member's benefits are subject to a Pension Debit, the Trustees must provide full details of it to the Receiving Administrators .

(e) confirm to the Receiving Administrators if the transfer value consists wholly or partly of Pension Credit Rights for the benefit of an Former Spouse Participant.

The Trustees shall implement the transfer within the period required by the 1993 Act. Except to the extent required by the 1993 Act, the Trustees shall not be responsible for any loss to any Relevant Person or other person resulting from any delay in implementing the transfer.

Where the Trustees have used the assets relating to the Member's deferred benefit as described in this Rule, they will be discharged from any obligation to provide the benefits to which the transfer payment related.

17.3 Special provisions for transfer to a "Buy-out" policy

The policy (the "Buy-Out Policy") shall be purchased from an Authorised Insurer, subject to the following:

(a) the terms of the Buy-Out Policy will satisfy Inland Revenue requirements and in particular must fall within limits laid down by the Board of Inland Revenue relating to relevant benefits approvable under the Chapter based upon the Member's Service and Final Remuneration at the date of withdrawal and will also show that the benefits are non-assignable and payable in cash form only as shown in the Buy-Out Policy

(b) the Authorised Insurer must assume a liability to the Relevant Person (or to trustees of a trust for the benefit of the Relevant Person and, if appropriate, Dependants of his) to pay the benefit secured by the contract to him or Dependants of his or to the trustees of the trust.

Subject to the same conditions as in the previous paragraphs of this Rule the Trustees may also purchase a Buy-Out policy in the Relevant Person's name in lieu of any benefits under the Scheme.

Except when the Scheme is being wound-up, the Trustees must obtain the consent of a Member (unless the Member has completed less than five years' "Qualifying Service" for the purposes of the 1993 Act), or if the Member is dead and benefit is payable to another person, the Trustees must obtain the consent of the other person.

17.4 Special provisions for transfer to a personal pension scheme

A transfer chosen by the Member (to which the Member must consent) must satisfy the following conditions:-

(a) the Trustees shall provide a certificate of the maximum lump sum payable on retirement from the transfer value if the Member:

(i) was aged 45 or more at the time that the transfer payment was made, or

(ii) has at any time within the 10 years preceding the date on which the right to the Personal Account being transferred arose, been, in respect of any employment to which the transfer payment or any part of it relates, either

(A) a Special Director, or

(B) in receipt of annual remuneration in excess of £60,000 or, if greater, the allowable maximum (i.e. the equivalent for personal pension schemes of the Permitted Maximum) for the year of assessment in which the date of transfer falls, or

(iii) is entitled to benefits included in the transfer payment which arise from an occupational pension scheme under which the normal retirement age is 45 or less.

(b) the Personal Account must be used to provide benefits of a money purchase nature.

18. *Transfer Payments from Other Schemes*

Subject to prior consultation with the Board of Inland Revenue for so long as it is required the Trustees shall have power to accept as additions to the Fund any transfer of money, policies, investments or other assets from any Approved Arrangement, subject in the case of a bulk transfer to Inland Revenue Approval not being prejudiced. Such transfer may include the whole or a specified part of the assets of the Approved Arrangements.

The amount and nature of such benefits (including whether a Member may be treated under the Scheme as a pre-1989 Member) and the conditions on which they shall be paid or provided, shall be such as may be determined by the Trustees after considering the advice of the Actuary and consistent with Inland Revenue Approval.

The Trustees may give any undertakings which may be required by the Inland Revenue or which may reasonably be required by the trustees or administrators of the Approved Arrangement in relation to any such transfer.

Where the Trustees accept a transfer payment and are informed by the trustees or administrators of the Approved Arrangement of the details of a Pension Debit relating to the transfer payment, the Trustees must take account of the Pension Debit, if appropriate, in the calculation of any limit on benefits for that Member.

Where a Member has benefits in an Approved Arrangement which relate to a Pension Credit, the Trustees may at the request of the Member accept a transfer of those benefits from the Approved Arrangement, subject to the following:-

(a) Any such transfer and the benefits relating to it shall be provided from the Scheme in addition to and entirely separate from the benefits to which the Member is otherwise entitled from the Scheme.

- (b) Where the Trustees accept a transfer payment for an individual who is already a Member or is already a Former Spouse Participant and are informed by the administrators of the Approved Arrangement that the transfer value consists wholly or partly of Pension Credit Rights in the former scheme or arrangement, then the Trustees must separately identify the transfer payment relating to the Pension Credit Rights or the part of the transfer payment relating to the Pension Credit Rights from other funds held for the benefit of the Member. Furthermore the Trustees must comply with the requirements of Rule 3(c) in respect of the transferred-in Pension Credit Rights. Then the individual will acquire the status of an Former Spouse Participant in the scheme in relation to his transferred-in Pension Credit Benefits. Such Pension Credit Benefits will not count towards any limit on benefits for that Member.

The Trustees shall, as a condition of accepting such a transfer, obtain from the trustees or administrators of the Approved Arrangement a written certificate as to all information affecting the amount or nature of any benefit to be provided under the Scheme in consequence of the transfer (including the period of Qualifying Service and amount of lump sum on retirement under the Approved Arrangement). The Trustees may accept any such written certificate as conclusive. In particular:-

- (i) the benefits arising on retirement from a transfer value shall not be capable of payment in lump sum form if the transfer is accompanied by a certificate from the administrator of the Approved Arrangement to the effect that the transfer value is not to be used to provide benefits in lump sum form, and
- (ii) for Members other than 1989 Members, benefits on retirement arising from a transfer value (other than from another scheme of the Employers) may be payable in lump sum form only if and to the extent that a certificate has been obtained from the administrator of the transferring scheme showing the maximum lump sum payable from the transfer value. The amount so certified may be increased in proportion to any increase in the Index since the date the transfer payment was received. No lump sum may be paid to a Former Spouse Participant where all of the Pension Credit Rights under the Scheme have been transferred into the Scheme with a lump sum nil certificate.

Any amount so certified as to represent Member's contributions for the purpose of the Approved Arrangement (and no more) shall remain subject to any restriction on refund of contributions which is necessary for Inland Revenue Approval.

19. *Pension Increases*

- (i) The Personal Account shall be used so that any benefit being paid in the form of a pension under the Scheme which is attributable to contributions made by the Member or the Employer (other than voluntary contributions) after 5th April 1997 will be increased annually by the amount of any rise in the Index of Retail Prices over the relevant period, subject to a maximum increase in any twelve-month period of 5%, of the initial annual amount of the pension, compounded with the amount of any previous increases.

The increases will not apply to any part of a pension attributable to Rule 8 or Rule 18 except to the extent that the increases are required by the 1995 Act.

- (ii) With the consent of the Trustees, a Relevant Person may use part of his Personal Account to provide for further annual increases in addition to those under (i) above to be made to any pension payable to him on a basis agreed between the Member and the Trustees. The increases shall be consistent with Inland Revenue Approval.
- (iii) The Trustees will review each year each pension in payment and may provide for an increase in each pension of an amount which they determine to be appropriate in the light of the rise in the cost of living measured by such index or indices the Trustees may deem appropriate. The Trustees will ensure that the amount of such pension does not exceed the initial amount thereof (or such greater amount as will not prejudice Inland Revenue Approval) increased in accordance with the increase (if any) in the Index of Retail Prices or such other index as the Trustees may select with the agreement of the Board of Inland Revenue between the date on which the pension commenced and the date on which the increment becomes payable.

20. *Payment of Pension*

All pensions shall be payable monthly (or at such other frequency not less than yearly as the Trustees may either generally or in an individual case determine) by equal instalments the final instalment being payable on the Relevant Day which is or next precedes the date of death of the person on whose life the pension depends or where the pension is payable to a person who was a dependant child of a Relevant Person on the Relevant Day which is or next precedes the earlier of

- (a) the date of death of the person on whose life the pension depends and
- (b) the later of
 - (i) the eighteenth birthday (or if the child was dependent on the Relevant Person due to disability whilst such disability continues) of the person on whose life the pension depends and
 - (ii) the date on which the person on whose life the pension depends ceases to receive full time educational or vocational training or the twenty-first birthday of the person if earlier.

22.4 If at the date of death the Member has reached age 75 and is either

- (a) a Special Director who is not a 1989 Member or
- (b) a director who holds a life appointment,

then in either case the lump sums payable under sub-Rule 22.1 shall be paid to the Member's Spouse or failing such Spouse to the Member's legal personal representatives.

23. Death on or after Date of Retirement

23.1 A sum will be held on trust in accordance with Rule 25 of an amount equal to the amount (if any) by which the total amount of pension which would have been payable to the Member during the period of sixty months from the date of commencement of the pension had he survived for that period exceeds the total amount of pension paid to the Member.

23.2 A pension (or pensions) will be payable to such surviving Dependant (or Dependents) and of such annual amount (or amounts) subject to Revenue Limitations bearing such proportion (or proportions) to the annual amount of the Member's pension at the date of the Member's death as the Trustees on the advice of the Actuary shall notify the Member at his Date of Retirement but not exceeding the annual amount (or amounts) which can be provided by the Personal Account at the date of his death taking into account any benefits paid under sub-Rule 23.1 and Rule 13. The pensions will be payable in accordance with Rule 20.

24. Death of a Former Spouse

24.1 On death of a Former Spouse Participant before commencement of pension the following applies:-

(a) The Trustees may in their discretion pay from the Former Spouse Participant's Personal Account a lump sum death benefit of an amount they shall determine subject to Revenue Limitations and in particular not exceeding 25% of the Former Spouse Participant's Personal Account at the date of his death and such amount will be held on trust in accordance with Rule 25.

(b) The Trustees may in their discretion use the Former Spouse Participant's Personal Account to provide such pension (or pensions) to such surviving Dependant (or Dependents) of such annual amount (or amounts) as the Trustees on the advice of the Actuary shall notify to that Member subject to Revenue Limitations and taking into account any part of the Personal Account used to provide the benefits paid under (a) above.

24.2 On death of a Former Spouse after a Pension Sharing Order, agreement, or equivalent provision is made but before it is acted upon by the Trustees, the following applies:-

(a) The Trustees may in their discretion pay from what would have been the Former Spouse's Personal Account ("the Notional Account") a lump sum death benefit of an amount they shall determine subject to Revenue Limitations and in

particular not exceeding 25% of the Notional Account at the date of his death and such amount will be held on trust in accordance with Rule 25.

- (b) The Trustees may in their discretion use the Notional Account to provide such pension (or pensions) to such surviving Dependant (or Dependents) of such annual amount (or amounts) as the Trustees on the advice of the Actuary shall notify to that Member subject to Revenue Limitations and taking into account any part of the Notional Account used to provide the benefits paid under (a) above.

25. *Payment of Death Benefits*

25.1 Any benefit payable on the death of a Relevant Person and expressed to be held on trust in accordance with this Rule will be held by the Trustees on trust as follows:

- (a) Any benefits expressed to be held on trust in accordance with this Rule shall be held by the Trustees with power to be exercised within two years of the death of the Relevant Person to pay or apply the same or any part thereof to or for the maintenance or support or otherwise for the benefit of such one or more to the exclusion of the other or others of the Beneficiaries (as hereinafter defined) and the personal representatives of the Relevant Person in such proportions and manner as the Trustees shall in their absolute discretion without being liable to account for the exercise of such discretion think fit.
- (b) In exercising the power referred to in paragraph (a) of this Rule the Trustees may in their absolute discretion if they shall see fit to do so give effect to any expression of wish the Relevant Person has with the consent of the Trustees lodged with them in writing.
- (c) Those moneys or any part of them which the Trustees in their discretion decide not to dispose of under the power referred to in paragraph (a) of this Rule shall be paid to the personal representatives of the deceased Relevant Person.
- (d) In applying any moneys to or for the maintenance or support or otherwise for the benefit of any person under this Rule the Trustees shall be entitled to pay the same by way of settlement or otherwise to trustees for the benefit of such person and may delegate to such trustees any power or discretion which could be exercised by the Trustees under this Rule.
- (e) If any benefit which fails to be paid in accordance with this Rule would but for the provisions of this paragraph vest in the Crown the Duchy of Lancaster or the Duke of Cornwall as bona vacantia the Trustees shall continue to hold the same under the trusts of the Scheme to apply it to such of the purposes thereof as they shall decide.
- (f) For the purposes of this Rule "Beneficiaries" shall mean the following:
 - (i) the spouse of the Relevant Person or any ancestor or descendant (however remote the relationship) of the Relevant Person or of his spouse and the spouse of any such ancestor or descendant
 - (ii) any brother or sister of the Relevant Person or of his spouse (whether of the whole or the half blood) and any descendant of any such brother or sister and

the spouse of any such brother or sister or of any such descendant of any such brother or sister

- (iii) any stepbrother or stepsister of the Relevant Person or of his spouse and any descendant of any such stepbrother or stepsister and the spouse of any such stepbrother or stepsister or of any such descendant of any such stepbrother or stepsister
- (iv) any uncle or aunt of the Relevant Person or of his spouse and any descendant of any such uncle or aunt and the spouse of any such uncle or aunt or of any such descendant of any such uncle or aunt

whether in any of the aforesaid cases (i) (ii) (iii) and (iv) the Relevant Person was or was not liable for or to contribute to their maintenance or support;

- (v) any natural person who in the opinion of the Trustees has been dependent or partly dependent on the Relevant Person for maintenance or support
- (vi) any other natural person who is entitled to any interest in the Relevant Person's estate under any testamentary disposition made by him in respect of which a grant of representation has been obtained
- (vii) any natural person (other than the persons aforesaid) who the Relevant Person wishes to be treated as a Beneficiary for the purposes of the Scheme and whose name and address the Relevant Person has notified to the Trustees in writing
- (viii) any charity, religious or philanthropic institution or club nominated in writing to the Trustees by the Relevant Person
- (ix) any person with whom the Trustees were aware that a friendship or relationship with the Relevant Person (other than marriage or dependency) existed at the date of the Relevant Person's death, such relationship not necessarily being one resembling marriage

For the purpose of this Rule:

- (A) "Spouse" includes the wife husband widow widower and any former wife or husband and a person with whom the Relevant Person or other beneficiary has gone through any lawful ceremony of marriage
- (B) "Descendant" includes persons claiming by reason of adoption and stepchildren
- (C) The class of Beneficiaries shall be closed at the death of the Relevant Person except that it shall include persons then en ventre sa mere who if born would have been Beneficiaries

25.2 Without prejudice to the generality of the power described in sub-Rule 25.1 then so long as no-one other than the Beneficiaries listed from time to time in sub-Rule 25.1 above can become entitled the Trustees may:-

- (a) direct that all or part of the lump sum will be held by themselves or other trustees on such trusts (including discretionary trusts) and with such powers and provisions (including powers of selection and variation) as the Trustees see fit; or
- (b) pay all or part of the lump sum to the trustees of any other existing trust.

PART VII
GENERAL

26. *Purchase of Annuities*

26.1 Notwithstanding anything to the contrary in this Rule

- (a) If the Scheme is submitted for Inland Revenue Approval on or after 5th August 1994 annuities shall be purchased in accordance with sub-Rule 26.4 and sub-Rules 26.2 and 26.3 shall not apply.
- (b) If the Scheme is submitted for Inland Revenue Approval before 5th August 1994
 - (i) sub-Rules 26.2 and 26.3 shall apply and
 - (ii) if the Trustees resolve to purchase annuities in accordance with sub-Rule 26.4 the Trustees shall notify the Board of Inland Revenue of their decision immediately and in any event prior to the deferral of any annuity purchase under that sub-Rule.

26.2 In the case of

- (i) a Relevant Person who retires for whatever reason on or after 4th February 1994 or
- (ii) a Relevant Person who retired on or after 4th February 1989 but whose pension has not been secured within five years of that retirement under sub-Rule 26.3

the Trustees may purchase an annuity or annuities for such Relevant Person in accordance with Sub-Rule 26.3 unless the Trustees resolve to defer the purchase of such annuities in accordance with sub-Rule 26.4

26.3 Subject to sub-Rules 26.1 and 26.2, on a date in respect of each Relevant Person no later than five years after the date on which any pension first comes into payment to the Relevant Person under the Rules (such date called the Relevant Person's "Purchase Date" for the purposes of sub-Rule 26.6) the Trustees shall apply a sum or sums towards the purchase of such of the annuities described in sub-Rule 26.5 as may be relevant so long as the conditions of paragraphs (a) to (d) of sub-Rule 26.4 are satisfied, but only in relation to transactions under (a) to (d) of that sub-rule which take place on and after 1st August 2000.

26.4 The Trustees shall have the power to defer the purchase of such of the annuities described in sub-Rule 26.5 as may be relevant for the Relevant Person or for any Dependant of the Relevant Person until in the case of the Relevant Person's pension no later than the date on which such Relevant Person attains age 75, or in the case of a Dependant's pension until the earlier of the attaining by the Dependant of age 75 or the date on which the deceased Relevant Person would have attained age 75, so long as the following conditions are and remain satisfied:

(a) Where all Relevant Persons and any Dependants are in receipt of pensions, the Trustees shall not, directly or indirectly, make any new loans to an Employer or a Company associated with an Employer or make any new investments in any stock or shares in any Private Company following the first payment of pension to the last Relevant Person to retire. In the event that no Relevant Person reaches retirement so that only Dependants' pensions come into payment, this restriction will apply on the first payment to the final Dependant. The Trustees shall ensure the repayment of any existing loan made to an Employer or to any Company associated with an Employer and shall realise the value of any stock or shares held in any Private Company within five years of the commencement of pension in respect of the last Relevant Person or Dependant to have retired.

(b) Where the Scheme has both Relevant Persons who have not retired and retired Relevant Persons and Dependants with benefits in payment whose annuity purchase has been deferred, the Actuary shall exclude the Personal Accounts in respect of such retired Relevant Persons and Dependants when determining the proportion and the amount which may be lent to an Employer or any Company associated with an Employer or used to buy stock or shares in any Private Company.

Within five years of the commencement of pension to new retired Relevant Persons or Dependants the Trustees shall ensure that an appropriate proportion of any loan to an Employer or any Company associated with an Employer is repaid and shall ensure an appropriate proportion of the value of any stock or shares held in any Private Company is realised.

(c) Where, during the period of deferral, investments held for the purposes of the Scheme include real property, the Trustees shall ensure that there are sufficient other readily realisable assets so as to be in a position to purchase a Relevant Person's or Dependant's annuity at any time after the Relevant Person or Dependant has attained age 70.

(d) The amount of any new borrowing by the Trustees during any period of deferral shall be restricted so that the Personal Accounts in respect of the retired Relevant Persons and Dependants are excluded from the calculation in Special Rule 2(c)

(e) During the period of deferral, and whilst the pension is paid by the Trustees, the Actuary shall certify the amount of pension which can be maintained by the Trustees taking account of:

- (i) in the case of a Relevant Person's pension any contingent Dependants' pensions payable;
- (ii) the income and assets of the Scheme, and in particular those liquid assets representing the Personal Account in respect of the retired Relevant Person or Dependant

The certificate shall compare the pension with the amount of an annuity which could, at that time and on the same terms, be secured with the Personal Account. Where the pension and annuity differ by 10% or more, the certificate shall include a full explanation. The initial certificate in the case of a Dependant shall

compare the pension with an annuity that could have been secured at the Relevant Person's death.

- (f) A copy of the initial actuarial certificate shall be provided to the Pension Schemes Office (PSO) with the next actuarial valuation report of the Scheme or earlier on request by the PSO.
- (g) A formal review of the amount of pension payable shall thereafter form part of the Scheme's triennial actuarial reviews; and the renewal certificate shall be supplied to the PSO with the actuarial valuation report.
- (h) The Trustees shall review the suitability of annuity purchase at least on an annual basis and in connection with significant changes in available annuity rates.
- (i) The date on which the Trustees secure a Relevant Person's or Dependant's pension by the purchase of an annuity under this sub-Rule shall be called the "Purchase Date" in respect of such Relevant Person or Dependant for the purposes of sub-Rule 26.6.

The references in paragraphs (a) and (b) above to an Employer or a Company associated with an Employer or a Private Company shall be interpreted in accordance with the provisions of the Special Rules.

26.5 The annuities to be purchased in accordance with sub-Rules 26.3 and 26.4 are:-

- (a) annuities payable to the Relevant Person of an annual amount to be determined by the Trustees on the advice of the Actuary having regard to the annual amount of the Relevant Person's pension from the Scheme and the Personal Account on the Purchase Date and to any benefits payable to or in respect of the Relevant Person under Rules 13 and 19 and sub-Rule 23.2
- (b) annuities payable on the death of the Relevant Person to Dependents under sub-Rule 23.2 (except that the Trustees may in their discretion defer the purchase of such annuities until the death of the Relevant Person where sub-Rule 26.3 applies)
- (c) where the Relevant Person has exercised an option under Rule 13, annuities payable on the death of the Relevant Person to Dependents in respect of whom the option was exercised, in accordance with the provisions of that Rule
- (d) annuities arising from the death of the Relevant Person prior to the Purchase Date in payment on that date to any surviving Dependents of the Relevant Person of annual amounts to be determined by the Trustees on the advice of the Actuary having regard to the annual amounts of the Dependents' pensions from the Scheme and the Personal Account on the Purchase Date.

The annuity or annuities shall be non-commutable and non-assignable and shall be purchased from one or more Authorised Insurers.

- 26.6 If after the Purchase Date the Trustees increase the rate of pensions payable to the Relevant Person or any surviving Dependants of the Relevant Person they shall as soon as practicable after the increase has been awarded apply sums towards the purchase of annuities equal to the increase payable during the period described in Rule 20.

27. Relevant Persons' Announcements

At the date of joining the Scheme each Member (or in the case of a Former Spouse Participant, at the date on which a Pension Credit is implemented under the Scheme under Rule 3(c)). shall be provided with an Announcement setting out the essential features of the Scheme. The Trustees may from time to time issue further Announcements to any of the Relevant Persons to confirm the amendment of any or all of such features. No Announcement shall be used as a ground to contest any of the provisions of the Scheme as described in these Rules or any of the actual benefits payable from the Scheme in accordance with these Rules.

28. Statements of Personal Account

From time to time in respect of all Relevant Persons and at any time at the request of a Relevant Person the Trustees shall so far as legislation requires and at any other time as they may determine on the advice of the Actuary provide statements of those Personal Accounts. However, no statement shall be used as a ground to contest the Trustees' power to determine and amend any Personal Account on the advice of the Actuary in accordance with these Rules.

29. Notice to Relevant Persons

Any notice to be given hereunder to any Relevant Person or any person due or in receipt of benefits under the Scheme may be served by being handed to him personally or by being sent by recorded delivery first class post to him at his usual or last known address. Any notice served by post shall be deemed to have been served on the day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was properly addressed and posted as a prepaid letter by recorded delivery first class post.

30. Temporary Absence

- 30.1 A Member who leaves Service with a right to return following statutory maternity leave will remain in Pensionable Service during paid maternity absence as defined in Schedule 5 to the Social Security Act 1989 ("Paid Maternity Leave"), and during such period the benefits prospectively payable on the death of a Member before her Normal Retiring Date, and the contributions payable by the Employers during Pensionable Service during Paid Maternity Leave, are calculated as would have applied if the Member had worked normally and received the remuneration likely to be paid for doing so during Paid Maternity Leave.

If the Member does not rejoin the Scheme at the end of statutory maternity leave, Pensionable Service will cease at the date on which Paid Maternity Leave ended (or such earlier date from which the Member terminated Service) and the benefits to which such

Member shall be entitled under the Scheme shall be determined in accordance with the provisions of Rule 16.

The provisions of this Rule 30.1 shall be overridden to any extent necessary to comply with the relevant requirements of the Employment Rights Act 1996.

The provisions of Rule 30.1 relating to the Paid Maternity Leave of a female Member (ignoring the provisions relating to statutory maternity pay) shall apply to any Member during and in respect of any period of absence from active Service for family reasons, and for which the Employer pays any contractual remuneration.

30.2 If a Member is temporarily absent from Service (except where Rule 30.1 applies) or is seconded to another employer the Member may at the discretion of the Trustees be deemed for the purposes of these Rules to remain in Service

- (a) for a period up to ten years or
- (b) for a period longer than ten years where absence is due to incapacity or secondment to a United Kingdom Government Department (or work of national importance of a like nature) or
- (c) for such other period as the Board of Inland Revenue may approve subject to the following:-
 - (i) there is in the opinion of the Employers a definite expectation of the Member's return to Service
 - (ii) if during such a period of temporary absence a Member becomes a member of another retirement benefits scheme his Pensionable Service shall terminate and he shall receive benefits under the terms of Rule 16 or Rule 17.

30.3 During such period of temporary absence other than one prejudicial to the approval of the Scheme under sub-Rule 30.2 the Trustees may treat Service as continuous and if they do so the Employer employing the Member may elect to continue to pay for such period or periods as it may from time to time decide contributions calculated as though such Member had continued in Service at the salary applicable immediately prior to such suspension and in such event any period or periods in respect of which contributions are thus paid shall be deemed to be Pensionable Service.

31. Cessation of Pensionable Service

A Member who ceases to be in Pensionable Service as a result of ceasing to be in Service or otherwise while remaining in Service shall thereupon cease to contribute to the Scheme. Any benefits to which the Member or any other person deriving benefit under or through him may be entitled in respect of Pensionable Service already completed will be maintained by the Trustees and will be payable subject to the Rules according to the event which happens and in any event the Trustees shall comply with the preservation requirements of the 1993 Act and any regulations made thereunder.

32. Re-Employment of a Retired Member

If a Member who has retired (other than a Member who has retired under the terms of Rule 12.1) subsequently enters the employment of any of the Employers while eligible to join the Scheme then his pension shall cease forthwith and on subsequent withdrawal the benefits payable shall be the total of

(a) the benefits provided by the Personal Account at the date of his re-entry to active membership including the proceeds of the surrender of any annuity policy previously effected on his life and

(b) the benefits provided under the terms of these Rules in respect of Service after such re-entry.

33. *Deductions from Benefits*

The Trustees shall have power to deduct from any payment made out of the Scheme an amount not exceeding the liability to the Board of Inland Revenue for any tax or duty on such payment.

34. *Assignment of Benefits*

Except where otherwise provided in the Trust Deed and the Rules, or in accordance with the provisions of the 1999 Act on bankruptcy and divorce, 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.

Any benefits which the Relevant Person may otherwise expect to receive under these Rules shall determine upon any attempted assignment by operation of law (including the bankruptcy of the Relevant Person), but the Trustees may then apply an amount equal to such benefits for the benefit of the Relevant Person or his Dependants in such shares and proportions as they think fit.

35. *Forfeiture of Benefits*

If a Member leaves Service under a monetary obligation to the Employer arising out of the fraud negligence or any other unlawful act or omission of such person to the Employer then the benefits payable to such Member exclusive of any benefits to which he is entitled by reason of a transfer payment to the Scheme under Rule 18 and exclusive of any benefits to which he is entitled in respect of services after the said obligation is established may be reduced by an amount which does not exceed that certified by the Trustees on the advice of the Actuary as being equivalent in value to the said obligation subject to the following:-

- (a) the Member shall be given a certificate showing both the amount so recovered and the effects of such recovery on his benefits

- (b) in the event of dispute as to the amount so recoverable such reduction shall only be made after the obligation has become enforceable under the order of a competent Court or the award of an arbitrator or in Scotland an arbiter to be appointed (failing agreement between the parties) by the Sheriff. The Personal Account will be reduced for the purposes of these Rules by any sum deducted under the terms of this Rule.

36. Incapacity of a Beneficiary

If the Trustees consider that a person entitled to a pension under the Scheme is suffering from physical or mental incapacity or if the person is under the age of 18 years the Trustees may at their discretion pay or direct the payment of such pension to any relative of his or other person on his behalf without being concerned to see to the application thereof and the receipt of such relative or other person shall be a complete discharge to the Trustees for such payment.

37. Evidence to Trustees

37.1 The Trustees shall prior to the payment of any benefit from the Scheme require such evidence in respect of birth or death or marriage or such other facts concerning the Relevant Person or the person (or persons) to whom benefits are payable as a result of his membership of the Scheme as the Trustees consider necessary and in such form as they think fit. However, if the Trustees discover any mis-statement as to any of the matters referred to in this Rule they shall have power to make such arrangements on the advice of the Actuary as they shall consider fair by way of adjustment of any benefits payable out of the Scheme.

37.2 Every person entitled under these Rules to a pension or annuity shall give notice in writing to the Trustees of his place of residence at the time such benefit becomes payable and shall immediately inform the Trustees of any change in place of residence.

PART VIII
WINDING-UP

38. Events Leading to Partial Winding-Up

38.1 If any of the events described in sub-Rule 38.2 occur the participation in the Scheme of an Employer other than the Principal Employer will cease and the relevant part of the Fund determined by the Trustees as appropriate to such Employer will be applied in accordance with Rule 40 unless the Trustees make arrangements to their satisfaction in accordance with sub-Rule 38.3.

38.2 The events referred to in sub-Rule 38.1 are:-

- (a) if such Employer goes into liquidation or is wound up or dissolved
- (b) if such Employer, at any time by notice in writing to the Trustees, terminates its liability to contribute to the Scheme
- (c) if such Employer at any time fails to observe or perform any of its obligations under the Scheme and the Trustees thereupon give notice in writing to such Employer of their intention to terminate its participation in the Scheme
- (d) if the Trustees give notice in writing to such Employer that its continued participation in the Scheme would prejudice Inland Revenue Approval

38.3 The Trustees may make any of the following arrangements consistent with Inland Revenue Approval:-

- (a) in the case of paragraph (a) of sub-Rule 38.2 arrangements with any employer which succeeds to the business of the Employer for such employer to undertake the duties of the Employer under the Scheme
- (b) in the case of paragraphs (a), (b), (c) or (d) of sub-Rule 38.2 if the Trustees so decide, and subject to the consent of the Board of Inland Revenue, the relevant part of the Fund may continue to be held by the Trustees upon and subject to the trusts powers and provisions of the Scheme and the part thereof will be administered as a closed fund (but without any liability on the Employer to contribute thereto) until such date not later than the date of the determination of the Scheme as the Trustees may determine.

39. Events Leading to Complete Winding-Up

39.1 If any of the events described in sub-Rule 39.2 occur the Scheme shall be determined and wound up in accordance with Rule 40 unless the Trustees make arrangements to their satisfaction to continue the Scheme in accordance with sub-Rule 39.3.

39.2 The events referred to in sub-Rule 39.1 are:-

- (a) if the Principal Employer goes into liquidation or is wound-up or dissolved

- (b) if the Principal Employer, at any time by notice in writing to the Trustees, terminates its liability to contribute to the Scheme
- (c) if the Principal Employer at any time fails to observe or perform any of its obligations under the Scheme and the Trustees thereupon give notice in writing to the Principal Employer of their intention to wind up the Scheme
- (d) if the Trustees decide in their absolute discretion that it is expedient to wind up the Scheme

39.3 Where paragraphs (a), (b), or (c) of sub-Rule 39.2 apply, the Trustees may make any of the following arrangements consistent with Inland Revenue Approval for the continuation of the Scheme:

- (a) arrangements with any employer or firm to undertake the duties of the Principal Employer under the Scheme in accordance with Clause 15 of the Trust Deed, or
- (b) if the Trustees so decide, and subject to the consent of the Board of Inland Revenue, the Fund may continue to be held by the Trustees upon and subject to the trusts powers and provisions of the Scheme and the Scheme will be administered as a closed fund (but without any liability on any Employer to contribute thereto) until such date as the Trustees may determine.

40. *Winding-Up*

40.1 In the event of the Scheme or part thereof being determined in accordance with the provisions of Rules 38 and 39:-

- (a) the Trustees will notify each Relevant Person affected thereby, and
- (b) the Fund will be applied, after the payment of any fees or expenses of or incidental to the administration and management and winding-up of the Scheme which cannot be recovered from the Employers, for the benefit of the Relevant Persons, by reference to each Personal Account; and
- (c) if any assets remain in the Fund which do not form part of the Relevant Persons' Personal Accounts, the Trustees shall use them as they shall determine to increase all or any of the benefits or provide additional benefits for Relevant Persons or other persons consistent with Inland Revenue Approval. Any assets which are not used to provide such benefits will be paid to the Employers in such proportions as the Trustees consider appropriate, subject to the prior agreement of the Board of Inland Revenue and the deduction of any tax payable under Section 601 of the 1988 Act.

40.2 The benefits to be secured under sub-Rule 40.1 shall be secured by the Trustees in any one or more of the following ways:-

- (a) by the purchase of non-assignable annuity contracts from an Authorised Insurer such contracts to include such options consistent with Inland Revenue Approval and corresponding to options under the Scheme as may be agreed between the Trustees and the Authorised Insurer

- (b) subject to the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991, by the transfer (after prior consultation with the Inland Revenue in the case of a bulk transfer) of all or any (as appropriate) of the assets of the Fund to one or more Receiving Schemes, subject to the conditions of Rule 17 (except that, for the avoidance of doubt, a benefit in payment may be transferred), to provide benefits in substitution for the benefits described in sub-Rule 40.1(b); any such transfer may include the transfer of any surplus under sub-Rule 40.1(c), notwithstanding that such surplus may be allocated at the discretion of the Trustees of the Receiving Scheme to provide benefits in respect of the transferring Relevant Persons or not as the case may be.
- (c) in relation to any contracts or policies with any Authorised Insurer in the Fund at the date of winding-up :-
- (i) by arranging with the Authorised Insurer to transfer the contracts or policies to the person whose benefits are covered under it. The contracts or policies will contain the same restrictions as in sub-Rule 40.2(a)
 - (ii) by assigning any of the contracts or policies which have not matured to the trustees of any Receiving Scheme under sub-Rule 40.2(b) subject to the Trustees complying with the same requirements of Rule 17
- 40.3 The Fund or part thereof being applied in accordance with the provisions of this Rule shall be held by the Trustees upon and subject to the trusts powers and provisions of the Scheme until the winding-up of the Scheme or part thereof has been completed to the satisfaction of the Trustees.
- 40.4 In the event that the Scheme is wound up in accordance with the provisions of this Rule the trusts of the Scheme shall thereupon cease.

APPENDIX - REVENUE LIMITATIONS

A. BENEFITS OF 1989 MEMBERS

Notwithstanding anything to the contrary in the Scheme provisions, subject to section E of this Appendix the benefits payable to a 1989 Member or his Dependants or other beneficiaries in respect of him shall not, when aggregated with all benefits of a like nature provided under all Associated Schemes, exceed the limits set out below.

(1) The Member's Aggregate Retirement Benefit shall not exceed:-

(a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Retiring Date on grounds of Incapacity, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval; or

(b) on retirement at any time before Normal Retiring Date on grounds of Incapacity, a pension of the amount which could have been provided at Normal Retiring Date in accordance with (1)(a) above, Final Remuneration being computed as at the actual date of retirement; or

(c) on leaving Pensionable Service before attaining age 75, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval. The amount computed as aforesaid may be increased by 5% for each complete year or, if greater, in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with DSS requirements is also allowable.

(d) Benefits for a 1989 Member are further restricted to ensure that his total retirement benefit from the Scheme and any Associated Scheme or Connected Scheme does not exceed a pension of 1/30th of the Permitted Maximum for each year of service, subject to a maximum of 20/30ths. For the purpose of this limit, service is the aggregate of Service and any period of service which gives rise to benefits under a Connected Scheme provided that no period is to be counted more than once.

(2) The Member's Lump Sum Retirement Benefit shall not exceed: -

(a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Retiring Date on grounds of Incapacity, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval; or

(b) on retirement at any time before Normal Retiring Date on grounds of Incapacity, the amount which could have been provided at Normal Retiring Date in accordance with (2)(a) above, Final Remuneration being computed as at the actual date of retirement; or

(c) on leaving Pensionable Service before attaining age 75, a lump sum of 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval. The amount computed as

aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable.

Provided always that the provisions of this paragraph (2) shall not apply to benefits paid in lump sum form on the grounds of triviality.

(3) The lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon), payable on the death of the Member while in Service or (having left Pensionable Service) before the commencement of pension shall not, when aggregated with all like benefits under Associated Schemes, exceed 4 times Final Remuneration (disregarding paragraph (iv) of that definition) or, if greater, £5,000, less

(a) any lump sum (other than a refund of the Member's own contributions) payable on the death of the Member under all Relevant Schemes in respect of service with previous employers, and

(b) any lump sum life assurance benefit payable (other than a refund of contributions or premiums paid by the Member) on the death of the Member under a retirement annuity contract or trust scheme approved under Chapter III of Part XIV of the 1988 Act or a personal pension scheme approved under Chapter IV of Part XIV of the 1988 Act

if the aggregate of such lump sums exceeds £2,500.

(4) Any pension for a Dependant of the Member, when aggregated with the pensions, other than those provided by surrender of the Member's own pension, payable to that Dependant under or arising from all Associated Schemes, shall not exceed an amount equal to 2/3rds of the Aggregate Retirement Benefit -

(a) being paid to the Member at the date of death (including any pension increases), or

(b) being the deferred benefit payable to the Member under Rule 16 at any time between attaining age 50 and attaining age 75, or

(c) prospectively payable to the Member, if the Member dies in Service, had the Member remained in Pensionable Service up to Normal Retiring Date at the rate of pay (subject to the Permitted Maximum) in force immediately before the Member's death, or

(d) prospectively payable to the Member on death in Service after Normal Retiring Date on the basis that retirement took place on the day before the date of death,

or such greater amount as will not prejudice Inland Revenue Approval.

If pensions are payable to more than one Dependant of the Member, the aggregate of all Dependents' pensions so payable under or arising from this and all Associated Schemes shall not exceed the full amount of whichever is the appropriate Aggregate Retirement Benefit under (a), (b), (c) or (d) above or such greater sum as will not prejudice Inland Revenue Approval.

(5) The maximum amount of a pension ascertained in accordance with this section A, less any part of the Member's Personal Account used to provide retirement benefits in lump sum form

or a Dependant's pension, may be increased annually by 3% or, if greater, in proportion to the increase in the Index which has occurred over the previous twelve months..

(6) Where, in addition to being a Member, the Member is also a member of a FSAVCS, the provisions of the following sentence shall apply in relation to any augmentation of the benefits provided for the Member by the Scheme after withdrawal from the Scheme. Any provisions in the Scheme imposing a limit on the amount of a benefit provided for the Member shall have effect (notwithstanding anything in them to the contrary) as if they provided for the limit to be reduced by the amount of any like benefit provided for the Member by the FSAVCS.

(7) The Scheme provisions shall have effect (notwithstanding anything in them to the contrary) as if they provided:-

(a) that the Member's retirement benefit shall be paid no later than the date on which he attains age 75, and

(b) subject to (a) above

(i) that if Inland Revenue Approval had not been granted to the Scheme before 27th July 1989, no part of the Member's retirement benefit shall be paid in advance of actual retirement or leaving service except to the extent necessary to comply with Department of Social Security requirements

(ii) that if Inland Revenue Approval had been granted to the Scheme before 27th July 1989, if the Member elects to take any part of the benefits under the Scheme in advance of actual retirement, the limits set out in (1) and (2) above shall apply as if the Member had retired at the effective date of the election as aforesaid, no account being taken of subsequent Service, save that the maximum amount of any pension not commencing immediately may be increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period.

B. BENEFITS OF PRE-1989 MEMBERS

Notwithstanding anything to the contrary in the Scheme provisions, subject to section E of this Appendix the benefits payable to a pre-1989 Member or his Dependents or other beneficiaries in respect to him shall not, when aggregated with all benefits of a like nature provided under all Associated Schemes, exceed the limits set out below.

(1) The Member's Aggregate Retirement Benefit shall not exceed:-

(a) on retirement from Pensionable Service at Normal Retiring Date, or on retirement before Normal Retiring Date except on grounds of Incapacity, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval ; or

(b) on retirement at any time before Normal Retiring Date on grounds of Incapacity, a pension calculated in accordance with (1)(a) above as if the Member had remained in Pensionable Service until Normal Retiring Date, Final Remuneration being computed as at the actual date of retirement; or

(c) on retirement (or, when applicable, deemed retirement in accordance with (6) below) after Normal Retiring Date, a pension of the greatest of: -

(i) the amount calculated in accordance with (1)(a) above on the basis that the actual date of retirement (or, when applicable, deemed retirement as aforesaid) was the Member's Normal Retiring Date; or

(ii) the amount which could have been provided at Normal Retiring Date in accordance with (1)(a) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period; or

(iii) where the Member's total Service has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Service before Normal Retiring Date (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Service after Normal Retiring Date, with an overall maximum of 45 reckonable years,

Final Remuneration being computed, in the case of (i) and (iii) above, as at the actual date of retirement, but subject always to (6) below; or

(d) on leaving Pensionable Service before Normal Retiring Date, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval. The amount computed as aforesaid may be increased by 5% for each complete year or, if greater, in proportion to any increase in the Index which has occurred, between the date of termination of Pensionable Service and the Member's Normal Retiring Date or (if earlier) the date on which the pension begins to be payable. Any further increase necessary to comply with DSS requirements is also allowable.

(2) The Member's Lump Sum Retirement Benefit shall not exceed: -

(a) on retirement from Pensionable Service at Normal Retiring Date, or on retirement before Normal Retiring Date except on grounds of Incapacity, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval; or

(b) on retirement at any time before Normal Retiring Date on grounds of Incapacity, the amount calculated in accordance with (2)(a) above as if the Member had remained in Pensionable Service until Normal Retiring Date, Final Remuneration being computed as at the actual date of retirement; or

(c) on retirement (or, when applicable, deemed retirement in accordance with (6) below) after Normal Retiring Date, the greatest of: -

(i) the amount calculated in accordance with (2)(a) above on the basis that the actual date of retirement (or, when applicable, deemed retirement as aforesaid) was the Member's Normal Retiring Date, or

(ii) the amount which could have been provided at Normal Retiring Date in accordance with (2)(a) above together with an amount representing interest thereon, or

(iii) where the Member's total Service has exceeded 40 years, the aggregate of 3/80ths of Final Remuneration for each year of Service before Normal Retiring Date (not exceeding 40 such years) and of a further 3/80ths of Final Remuneration for each year of Service after Normal Retiring Date, with an overall maximum of 45 reckonable years,

Final Remuneration being computed, in the case of (i) and (iii) above, as at the actual date of retirement, but subject always to (6) below; or

(d) on leaving Pensionable Service before Normal Retiring Date, a lump sum of 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Inland Revenue Approval. The amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the Member's Normal Retiring Date or (if earlier) the date on which the Member's pension begins to be payable.

Provided always that the provisions of this paragraph (2) shall not apply to benefits payable in lump sum form on the grounds of triviality.

(3) The lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon), payable on the death of the Member while in Pensionable Service or (having withdrawn from Pensionable Service) before the commencement of the Member's pension, shall not, when aggregated with all like benefits under Associated Schemes exceed 4 times the Member's Final Remuneration (disregarding paragraph (iv) of that definition), or, if greater, £5,000, less

(a) any lump sum (other than a refund of the Member's own contributions) payable on the death of the Member under all Relevant Schemes in respect of service with previous employers, and

(b) any lump sum life assurance benefit (other than a refund of contributions or premiums paid by the Member) payable on the death of the Member under a retirement annuity contract or trust scheme approved under Chapter III of Part XIV of the 1988 Act or a personal pension scheme approved under Chapter IV of Part XIV of the 1988 Act,

if the aggregate of such lump sums exceeds £2,500.

(4) Any pension for a Dependant of the Member, when aggregated with the pensions, other than those provided by surrender of the Member's own pension, payable to that Dependant under or arising from all Associated Schemes, shall not exceed an amount equal to 2/3rds of the Aggregate Retirement Benefit -

(a) being paid to the Member at the date of death (including any pension increases), or

(b) being a deferred benefit payable to the Member under Rule 16 at Normal Retiring Date, or

(c) prospectively payable to the Member, if the Member dies in Service, had the Member had remained in Pensionable Service up to Normal Retiring Date at the rate of pay in force immediately before the Member's death, or

(d) prospectively payable to the Member on death in Service after Normal Retiring Date on the basis that retirement took place on the day before the date of death, or such greater amount as will not prejudice Inland Revenue Approval.

If pensions are payable to more than one Dependant aforesaid, the aggregate of all Dependents' pensions so payable under or arising from this and all Associated Schemes shall not exceed the full amount of whichever is the appropriate Aggregate Retirement Benefit under (a), (b), (c) or (d) above or such greater sum as will not prejudice Inland Revenue Approval.

(5) The maximum amount of a pension ascertained in accordance with this section B, less any part of the Member's Personal Account used to provide retirement benefits in lump sum form or a Dependant's pension, may be increased annually by 3% or, if greater, in proportion to the increase in the Index which has occurred over the previous twelve months..

(6) If the Member elects to take any part of the benefits under the Scheme in advance of actual retirement, the limits set out in (1) and (2) above shall apply as if the Member had retired at the effective date of the election as aforesaid, no account being taken of subsequent Service, save that the maximum amount of any pension not commencing immediately may be increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period.

(7) Where, in addition to being a Member, the Member is also a member of a FSAVCS, the provisions of the following sentence shall apply in relation to any augmentation of the benefits provided for the Member by the Scheme after withdrawal from the Scheme. Any provisions in the Scheme imposing a limit on the amount of a benefit provided for the Member shall have effect (notwithstanding anything in them to the contrary) as if they provided for the limit to be reduced by the amount of any like benefit provided for the Member by the FSAVCS.

(8) The preceding provisions of this section shall be modified in their application to a Member who is or has been during membership of the Scheme a Special Director so that the amount of the maximum Aggregate Retirement Benefit in (1) above and of the maximum Lump Sum Retirement Benefit in (2) above shall be reduced, where necessary for continuance of Inland Revenue Approval, so as to take account of any corresponding benefits under either a retirement annuity contract or trust scheme approved under Chapter III of Part XIV of the 1988 Act or a personal pension scheme approved under Chapter IV of Part XIV of the 1988 Act and in relation to a Member who is a Special Director at the Normal Retiring Date, as follows:-

(a) where the Member's pension commences after Normal Retiring Date but not later than the 70th birthday, (1)(b)(ii) (1)(b)(iii), (2)(b)(ii) and (2)(b)(iii) shall not apply, and if it commences later than the attainment of that age, the said paragraphs shall apply as if the 70th birthday had been specified in the Rules as the Member's Normal Retiring Date, so as not to treat as Service after Normal Retiring Date any Service before the Member reaches age 70

(b) where (6) above applies to the Member, the rate of the actuarial increase, referred to therein in relation to any period of deferment prior to the Member reaching age 70, shall not exceed the percentage increase in the Index during that period.

C. CONTRIBUTIONS

The total contributions to be paid by the Member in a year of assessment to this and any Relevant Scheme providing benefits in respect of Service shall not exceed 15% of the Member's Remuneration for that year in respect of that Service.

D. SERVICE

"Service" for the purposes only of this Appendix means:-

(a) for a 1989 Member the aggregate of

(i) all periods of service with the Employers

(ii) all other periods which count in respect of any Associated Employment or any Connected Scheme

For a Special Director who is a 1989 Member, this definition shall not include a period of service for an employer who is associated with the Principal Employer by virtue of a permanent community of interest rather than because one employer is controlled by the other or both are controlled by a third party. Where both such employers are participating in the Scheme separate calculations of maximum benefits are required in respect of the separate periods of Service. For the purpose of this paragraph, "control" has the meaning in section 840 of the 1988 Act or, in the case of a close company, section 416 of the 1988 Act.

(b) for a pre-1989 Member service with the Employers.

E. PENSION DEBIT MEMBERS

Notwithstanding any other provisions of the Trust Deed or the Rules, the benefits of a Pension Debit Member are additionally subject to the following limits, subject to compliance with Social Security legislation:

1. The pension shall not exceed the Aggregate Retirement Benefit less the Negative Deferred Pension in the Scheme and in Associated Schemes, and additionally for a 1989 Member the Negative Deferred Pension in any Connected Scheme.
2. The lump sum from this and any Associated Scheme shall not exceed;
 - (a) for Pension Debit Members who are not pre-1987 Members, an amount determined by $2.25 \times$ the initial annual pension payable
 - (b) for Pension Debit Members who are pre-1987 Members, an amount of the greater of:
 - (i) $2.25 \times$ the initial annual pension payable or,

- (ii) an amount determined in accordance with B of this Appendix as if there had been no Pension Debit, less $2.25 \times$ the Negative Deferred Pension.

For the purposes of this Rule, the initial annual pension should be calculated on the following bases;

- (A) if the pension payable for the year changes, the initial pension payable should be taken;
 - (B) it should be assumed that the Pension Debit Member will survive for a year;
 - (C) the effect of any commutation should be ignored.
3. On the death of the Pension Debit Member, any pension for a Dependant shall not exceed $\frac{2}{3} \times$ an amount determined in accordance with A or B of this Appendix as if there had been no Pension Debit, less the Negative Deferred Pension and the Negative Deferred Pension in any Associated Scheme and additionally in the case of a 1989 Member the Negative Deferred Pension in any Connected Scheme.

Where more than one pension is to be paid the total of all the pensions cannot exceed 100% of an amount determined in accordance with A or B of this Appendix as if there had been no Pension Debit, less the Negative Deferred Pension and the Negative Deferred Pension in any Associated Scheme and additionally in the case of a 1989 Member the Negative Deferred Pension in any Connected Scheme.

F. FORMER SPOUSES

1. If a Former Spouse Participant uses his Personal Account to take a lump sum at the time the pension first becomes payable, the lump sum is limited to a maximum of $2.25 \times$ the initial annual pension. For this purpose; the initial annual pension should be calculated on the following bases;
- (a) if the pension payable for the year changes, the initial pension payable should be taken;
 - (b) it should be assumed that the Former Spouse Participant will survive for a year;
 - (c) the effect of commutation should be ignored.
2. (a) Where the Former Spouse Participant dies before benefits come into payment a lump sum death benefit not exceeding 25% of the Personal Account at the Former Spouse Participant's date of death may be paid.
- (b) The balance of the Personal Account may be used to provide a non-commutable pension to a Dependant of the Former Spouse Participant. The amount of pension payable to a Dependant is limited to a maximum of $\frac{2}{3}$ of the amount of the pension that could have been paid to the Former

Spouse Participant at the date of death had the whole of the Personal Account been used to purchase an annuity at an available market rate.

For the purpose of determining the pension which could have been paid to the Former Spouse Participant, it should be assumed that he was aged 50 at the date of death, where he died at an earlier age. Where more than one pension is to be paid the total of all the pensions cannot exceed the amount of the pension that could have been paid to the Former Spouse Participant.

3. Where the Former Spouse Participant dies after pension has come into payment, a non-commutable pension may be payable to a Dependant of the Former Spouse Participant.

The amount of pension payable to a Dependant is limited to a maximum of 2/3rds of the initial annual pension which was paid to the Former Spouse Participant as increased by any rise in the Index since the commencement of the Former Spouse Participant's pension. Where more than one pension is to be paid the total of all the pensions cannot exceed the amount of the initial annual pension which was paid to the Former Spouse Participant, as increased by any rise in the Index since the commencement of the Former Spouse Participant's pension. For these purposes initial annual pension should be calculated on the same basis as for 1 above.

4. (i) If the Former Spouse dies after a Pension Sharing Order, agreement or equivalent provision is made but before it is acted upon by the Trustees, a lump sum death benefit not exceeding 25% of what would have been the Former Spouse's Personal Account ("the Notional Account") may be paid. The balance of the Notional Account may be used to provide a non-commutable pension to a Dependant of the Ex Spouse
- (ii) The amount of pension payable to a Dependant is limited to a maximum of 2/3rds of the amount of the pension that could have been paid to the Former Spouse at the date of death if the whole of the Pension Credit Rights forming the Notional Account had been used to purchase an annuity at an available market rate. Where more than one pension is to be paid the total of all the pensions cannot exceed the amount of the pension that could have been paid to the Former Spouse.

SPECIAL RULES

Inland Revenue Model Rules for Small Self-Administered Pension Schemes

1. General Provisions

1.1 Notwithstanding anything to the contrary in the Scheme provisions the following Rules 2 to 8 shall have full effect except that they may not be construed as conferring powers on the Trustees which they do not otherwise have by virtue of the Trust Deed and Rules.

1.2 In these Rules the following expressions shall have the meanings ascribed to them:-

"Business" includes

- (i) a trade or profession, or
- (ii) any activity other than investment carried on by a body of persons, whether corporate or unincorporated, or
- (iii) any activity carried on by a holding company for a trading group.

"Close Company" has the meaning given by sections 414 and 415 of the 1988 Act.

"Company" means any body corporate or unincorporated association, but does not include a partnership.

"Control" in relation to a body corporate (other than a Close Company) or partnership shall be construed in accordance with section 840 of the 1988 Act and in relation to an unincorporated association that section shall be applied as it applies to a body corporate.

In relation to a Close company "control" shall be construed in accordance with section 416 of the 1988 Act.

"Employer" means an employer participating in the Scheme.

"Ordinary Annual Contribution" means for the purpose of Rule 2(a) the smaller of:-

- (i) the amount found -
 - (A) where the scheme has been established for three years or more at the time of any borrowing, by dividing the amount of the contributions paid by the Employers in the period of three years which ended at the end of the previous accounting period of the scheme by three, or,
 - (B) where the scheme has been established for less than three years at the time of any borrowing, by dividing the amount of the contributions paid by the Employers in the period since the scheme was established ending at the

time of that borrowing by the number of years falling within that period (a part of a year being counted as one year), and

- (ii) the amount of the annual contributions which, within the period of 3 years immediately preceding the date of the borrowing, an Actuary has advised in writing would be necessary to secure the benefits payable under the Scheme.

"Pensioner Trustee" means a Trustee of the Scheme who:

- (a) is approved by the Board of Inland Revenue to act as such, and
- (b) is not connected with a Relevant Person, another Trustee or an Employer.

"Private Company" means a company which is not officially listed on a recognised stock exchange within the meaning of section 841 of the 1988 Act.

"Relative" means a brother, sister, ancestor or lineal descendant.

"Residential property" means property normally used, or adapted for use as one or more dwellings.

"Scheme Member" means a Member to whom benefit is currently accruing as a result of Service as an employee, or a Former Spouse Participant whose rights under the Scheme derive from a pension sharing order, agreement or equivalent provision.

1.3 For the purpose of these Rules any question of whether a person is connected with another shall be determined as follows:-

- (a) a person is connected with an individual if that person is the individual's spouse or is a Relative or the spouse of a Relative of the individual or of the individual's spouse;
- (b) a Relevant Person is connected with an Employer if:
 - (i) the Employer is a partnership and the Relevant Person is connected with a partner, or
 - (ii) the Employer is a Company and the Relevant Person or any person connected with him or her is, or has been during the last 10 years, a Controlling Director of the Company;
- (c) a Company is connected with another Company if:
 - (i) the same person has Control of both, or
 - (ii) a person has Control of one and persons connected with that person have Control of the other, or
 - (iii) a person has Control of one and that person and persons connected with that person, have control over the other;

- (d) a Company is connected with another person if that person has Control of it or if that person and a person or persons connected with him or her together have Control of it;
- (e) any two or more persons acting together to secure or exercise Control of a Company shall be treated in relation to that Company as connected one with another and with any person acting on the directions of any of them to secure or exercise Control of the Company.

1.4 For the purpose of these Rules a company is associated with an Employer if (directly or indirectly) the Employer controls that company or that company controls the Employer or if both are controlled by a third person.

1.5 For the purpose of these Rules a member of the Scheme includes:-

- (a) a Relevant Person,
- (b) a person in receipt of a pension from the Scheme, or
- (c) a person who has been a Relevant Person.

2. Provisions as to borrowing

Any power of the Trustees to borrow shall be restricted so that, at the time of any borrowing, the Trustees shall not have borrowed and not repaid an aggregate amount including the amount of that borrowing in excess of the total of:

- (a) three times the Ordinary Annual Contribution, and
- (b) three times the annual amount of contributions paid or payable as a condition of membership by Relevant Persons in the year of assessment ending immediately before that time; and
- (c) the amount found by the formula -

$$\frac{(A - B) \times 45}{100}$$

where -

A is the market value of the assets of the Scheme at that time, other than assets franking any pension in payment under the rules of the Scheme where the purchase of an annuity has been deferred (including any pension that would be payable to a widow or widower of a Member of the Scheme following the Member's death in a case where the rules of the Scheme limit such pension to the person to whom the Member was married at retirement), and

B is the aggregate of any sums borrowed to purchase those assets which are outstanding at that time, and any other liabilities incurred by the trustees which are outstanding at that time, other than liabilities to pay benefits under the Scheme.

3. Provisions as to investment

- (b) to an Employer or a Company associated with an Employer unless the loan is:
- (i) utilised for the purpose of the borrower's Business, and
 - (ii) for a fixed term, and
 - (iii) at a commercial rate of interest, and
 - (iv) evidenced by an agreement in writing which contains all the conditions on which it is made and, in particular, the provisions specified in paragraph (c) below;
- (c) the provisions specified in this paragraph are that the lending shall be repaid immediately if:
- (i) the borrower is in breach of the conditions of the agreement; or
 - (ii) the borrower ceases to carry on business; or
 - (iii) the borrower becomes insolvent within the meaning defined for the purposes of Regulation 6 of the Retirement Benefit Schemes (Restriction on Discretion to Approve) (Small Self-administered Schemes) Regulations 1991; or
 - (iv) the money is required to enable the Trustees to pay benefits which have already become due under the Scheme.

5. Provisions as to self-investment

At the time any money is lent or any share in the Employer or any company associated with an Employer are acquired, in the aggregate of:

- (a) the amount outstanding of any lending to the Employer and/or a Company associated with an Employer made in accordance with Rule 4b and c above, and
- (b) the market value of stock and shares in an Employer and/or a Company associated with an Employer held by the Trustees in that capacity

("the Relevant Aggregate") shall not, where that time is after the end of a period of two years from the date on which the Scheme was established, exceed the amount found by the formula:-

$$\frac{(E-F) \times 50}{100}$$

100

where -

E is the market value at the time in question of all the assets of the Scheme, other than assets franking any pension in payment under the rules of the Scheme where the purchase of an annuity has been deferred (including any pension that would be payable to a widow or widower of a member of the Scheme following the Member's death in a case where the

rules of the Scheme limit such pension to the person to whom the member was married at retirement), and

F is the aggregate of any sums borrowed to purchase those assets which are outstanding at that time, and any other liabilities incurred by the Trustees which are outstanding at that time, other than liabilities to pay benefits under the Scheme.

The Relevant Aggregate shall not, where time is during the period of two years from the date in which the Scheme was established, exceed the amount found of the formula -

$$\frac{(C-D) \times 25}{100}$$

100

where -

C is the market value at the time in question of the assets of the Scheme which are derived from contributions made by an Employer and by employees since the Scheme was established, other than assets forming any pension in payment under the rules of the Scheme where the purchase of an annuity has been deferred (including any pension that would be payable to a widow or widower of a member of the Scheme following the Member's death in a case where the rules of the Scheme limit such pension to the person to whom the member was married at retirement), and

D is the aggregate of any sums borrowed to purchase those assets which are outstanding at that time, and any other liabilities incurred by the Trustees which are outstanding at that time, other than liabilities to pay benefits under the Scheme.

6. Provisions as to transactions with members of the Scheme

The Trustees in that capacity shall not directly or indirectly purchase, sell or lease any investment or asset from or to a member of the Scheme or a person (other than an Employer or a Company associated with an Employer) connected with a member. A purchase will not be construed as being an indirect purchase from a member of the Scheme or a connected person if at the time of purchase 3 or more years have elapsed since the investment or asset was owned by the member or connected person. A sale will not be construed as an indirect sale to a member of the Scheme or a connected person if the purchase by a member of the Scheme or connected person takes place 3 years or more after the sale by the Trustees.

7. Provisions as to transactions with Employers and associated companies

The Trustees in that capacity shall not directly or indirectly purchase, sell or lease any investment or asset from or to an Employer or a Company associated with an Employer except in accordance with independent professional advice obtained in writing.

8. Provisions as to Pensioner Trustees

One of the Trustees shall be a Pensioner Trustee and the appointment of that trustee and his obligation and entitlement to act as a Pensioner Trustee, shall be incapable of termination at any time except:

- (a) by the death of the trustee,
- (b) by an order of the court,

- (c) by withdrawal by the Board of Inland Revenue of their approval of the trustee to act as a Pensioneer Trustee, or
- (d) where termination occurs by virtue of the trustee having committed a fraudulent breach of trust in relation to the scheme
- (e) where another trustee is appointed to act as Pensioneer Trustee in place of the trustee, and the appointment of the other trustee takes effect at the same time as the termination.
- (f) by virtue of section 3,4, or 29 of the 1995 Act or Article 3,4, or 29 of the Pensions (Northern Ireland) Order 1995 (prohibition, suspension or disqualification)

The appointment of a successor to the former Pensioneer Trustee shall, except where (e) above applies, be made no more than 30 days after the termination.

9. Transitional provisions

Notwithstanding the provisions of these Special Rules the Trustees may retain investments made before 15th July 1991 that do not satisfy such provisions and may dispose of those investments in due course to whoever they wish (including a member of the Scheme as defined in Special Rule 1.5 or a connected person as defined in Special Rule 1.3) provided that:

- (a) the investments are acceptable to the Board of Inland Revenue under previous discretionary practice, and
- (b) any disposal is on an arm's length basis at full market value in accordance with current discretionary requirements.

3.1 The Trustees' powers of investment shall be restricted to preclude investment either directly or indirectly in:

- (a) personal chattels other than choses in action; or
- (b) Residential Property other than that which is, or is to be, occupied:
 - (i) by an employee who is not connected with his or her Employer and who is required as a condition of employment to occupy that property, or
 - (ii) by a person other than a Relevant Person or a person connected with a Relevant Person where that person also occupies connected business premises which are also held by the Trustees as an investment of the Scheme; or
- (c) Stock or shares in a Private Company which:
 - (i) carry more than thirty per cent of the voting power in the Company, or
 - (ii) entitle the holder to more than thirty per cent of any dividends declared by the Company in respect of shares of the class held.

3.2 For the purpose of this Rule the Trustees are not regarded as

- (A) holding a Residential Property where they hold as an investment units in a unit trust scheme:
 - (i) which is an authorised unit trust scheme within the meaning of section 468(6) of the 1988 Act, or
 - (ii) an exempt unit trust within the meaning of section 100(2) of the Taxation of Chargeable Gains Act 1992, and
 - (iii) that unit trust scheme holds Residential Property as an investment.
- (B) indirectly holding as an investment Residential Property other than that specified in paragraph (b) of Rule 3.1 where -
 - (i) they hold as an investment subject to the trusts of the Scheme a right which confers entitlement to receive payment of any rent, charge, ground annual, feu duty or other annual payment reserved in respect of, or charged on or issuing out of, that property, and
 - (ii) the property is not occupied by a Relevant Person or a person connected with him

4. Provisions on lending

The Trustees in that capacity shall not directly or indirectly lend money:

- (a) to a member of the Scheme or to a person who is connected with a member of the Scheme other than an Employer or any Company associated with an Employer; or

PART VI

BENEFITS ON DEATH

21. Death in Service before Normal Retiring Date, or after leaving Service and before Date of Retirement

Where a Member dies before the Normal Retiring Date before the commencement of his pension, either whilst in Service, or in the case of a Member or Former Spouse Participant who is entitled to a deferred benefit under Rule 16 payable from the Normal Retiring Date, the following applies:-

21.1 The Trustees shall raise out of the Scheme an amount equal to that part of the Member's Personal Account which is attributable to his own contributions and such amount will be held on trust in accordance with Rule 25.

21.2 The Trustees on the advice of the Actuary may in their discretion pay from the Member's Personal Account a lump sum death benefit of an amount subject to Revenue Limitations which will be notified by the Trustees to the Member from time to time but not exceeding the Personal Account (and having regard to sub-Rule 21.1) at the date of his death and such amount will be held on trust in accordance with Rule 25.

21.3 The Trustees may in their discretion pay such pension (or pensions) to such surviving Dependant (or Dependents) of a Member and of such annual amount (or amounts) subject to Revenue Limitations as the Trustees on the advice of the Actuary shall notify that Member from time to time but not exceeding the annual amount (or amounts) which can be provided by the Personal Account at the date of his death taking into account any benefits paid under sub-Rules 21.1 and 21.2.

22. Death in Service on or after Normal Retiring Date

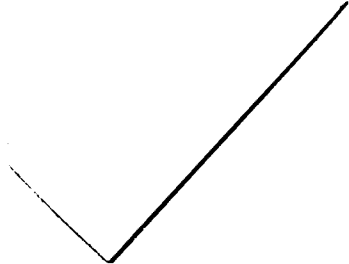
22.1 If a Member who is entitled to benefits from the Scheme but is not in receipt thereof dies while in Service on or after Normal Retiring Date then benefits shall be payable of the greater of

(a) the benefits that would be payable as if such deceased Member had retired on the day immediately preceding the day of his death and had exercised the cash option in accordance with sub-Rule 14.1 and all the like consequences shall ensue as if such Member had so retired or

(b) the benefits that would be payable as if such deceased Member had died in Service before Normal Retiring Date. However, if benefits have been paid in accordance with sub-Rule 15.2 any lump sum payable on death shall be treated as a retirement benefit

22.2 Any pension payable under sub-Rule 22.1 will be payable in accordance with Rule 20.

22.3 Subject to sub-Rule 22.4 any lump sums payable under sub-Rule 22.1 shall be held on trust in accordance with Rule 25.



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