

Dated

4 FEBRUARY

2007

CONSOLIDATING DEFINITIVE TRUST DEED

of the

Hammerhead TV Pension
Scheme No 1

WE HEREBY CERTIFY THIS TO BE A
TRUE COPY OF THE ORIGINAL
SIGNED Gershon Hall
EVERSHEDS LLP 16/2/07

EVERSHEDS LLP

1732951

Hammerhead TV Pension Scheme No 1

Replacement Definitive Trust Deed

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THIS CONSOLIDATING DEFINITIVE TRUST DEED is made on the _____ day
of _____ 2007.

BETWEEN:

- (1) **HAMMERHEAD TELEVISION FACILITIES LTD** (company number: 468799855) whose registered office is at Unit 19, Liongate Enterprise Park, 80 Morden Road, Mitcham, Surrey CR4 4DA ("the Principal Employer")
- (2) **PAUL ANTHONY TURTLE** of Park Farm House, Evesham Road, Greet, Cheltenham, GL54 5BX and **NIGEL ALAN HOBAN** of Highgrove, Ausewell, Ashburton, Devon, TO13 7HD ("the Continuing Trustees")

RECITALS:

- (A) This deed is supplemental to the various deeds and documents together constituting the Hammerhead TV Pension Scheme No 1 ("the Scheme") and in particular to a Definitive Trust Deed dated 30 March 1990 ("the Deed") (as amended) by virtue of which former deed, with effect from the 30 March 1990 ("the Commencement Date") benefits would be provided for and in respect of any of the employees and directors of the Principal Employer and of any other Employer to which the Scheme may be extended.
- (B) The Continuing Trustees ("the Trustees") and FPS Trustee Company Limited ("the Retiring Trustee") are the present trustees of the Scheme.
- (C) The Principal Employer wishes to remove the Retiring Trustee as a trustee of the Scheme.
- (D) By virtue of Rule 13.1 of the Deed, the Principal Employer may, with the consent of the Trustees by deed, alter or amend any of the provisions of the Scheme.
- (E) The Scheme was previously known as the Hammerhead Television Facilities Ltd Retirement Benefit Scheme. The Principal Employer and the Trustees now wish to re-name the Scheme the Hammerhead TV Pension Scheme No 1.
- (F) The Principal Employer wishes to delete and cancel the existing provisions of the Scheme and replace them with the provisions of this consolidating definitive trust deed ("the Definitive Deed") and Rules ("the Rules") and Revenue Appendix ("the Revenue Appendix") attached.

NOW THIS DEED WITNESSES as follows:

1. Effective Date and Removal of Trustee

- 1.1 The Principal Employer hereby removes the Retiring Trustee as a trustee of the Scheme.
- 1.2 The Principal Employer and the Trustees hereby declare that the provisions of this Definitive Deed, the Rules and the Revenue Appendix set out in the Schedule to the Definitive Deed shall take effect in substitution of the existing provisions of the Scheme with effect from the 6th April 2006 but not so as to invalidate any action taken under the provisions of the Scheme before the date of this deed.

2. Interpretation

- 2.1 In the Definitive Deed, Rules and Revenue Appendix (so far as is consistent with the subject matter and context) the words and expressions defined in the Rules and Revenue Appendix shall have the meanings assigned to them there and the provisions as to interpretation contained in the Rules shall apply throughout.

3. Constitution of Scheme and Fund

- 3.1 The Scheme shall be governed by the trusts, powers and provisions contained in the Definitive Deed, Rules and Revenue Appendix. The Trustees shall hold the Fund upon irrevocable trusts and with and subject to the powers contained in the Definitive Deed, Rules and Revenue Appendix and may do anything expedient or necessary for the support and maintenance of the Fund and for the benefit of the Members and those claiming under them.
- 3.2 The administration and management of the Scheme shall be vested in the Managing Trustees who shall act as Administrator of the Scheme until such time as another person or body agrees to act as Administrator in their place in accordance with the Act.
- 3.3 The whole of the Fund including any actuarial or other surplus however it has arisen shall be held on the trusts declared by clause 3.1 and no Member or other person shall have any direct interest in such surplus save in accordance with the Definitive Deed and Rules.

4. Covenants

- 4.1 The Principal Employer covenants with the Trustees that it will at all times until the determination of the trusts of the Scheme
 - 4.1.1 duly perform and observe each and every provision of the Scheme which ought to be performed and observed by it, and

- 4.1.2 duly and punctually pay (or procure to be duly and punctually paid) to the Trustees or as the Trustees direct all monies which under the Scheme ought to be paid by it.
- 4.2 It is a condition of admission of any other company, person or body as a Participating Employer that it enters into a covenant with the Trustees in respect of its period of participation in the Scheme in the form of the covenant contained in clause 4.1 or in such other form as the Trustees may require.
- 4.3 Despite any provision in the Definitive Deed and Rules to the contrary the Principal Employer and the Trustees covenant to procure that the Scheme shall be administered in accordance with the requirements of the Revenue Appendix, the Act and all Regulations made pursuant to the Act.
5. **Powers, duties and discretions of the Trustees**
- 5.1 The Trustees are granted all such powers and discretions as they require for the proper implementation and administration of the Scheme as a Registered Pension Scheme. They shall perform all duties imposed on them by statute or subordinate legislation relating to the administration and management of the Scheme.
- 5.2
- 5.2.1 The Trustees shall exercise their powers, duties and discretions in the manner specified for each power, duty and discretion and in particular shall exercise their powers, duties and discretions in relation to the following unanimously:
- 5.2.1.1 amendments to the Definitive Deed, Rules and Revenue Appendix;
- 5.2.1.2 the raising of money for any purpose;
- 5.2.1.3 the appointment of an investment manager;
- 5.2.1.4 investment of the Fund;
- 5.2.1.5 the making of an Unauthorised Payment, and
- 5.2.1.6 the winding up of the Scheme.
- All such decisions shall be recorded in writing signed by each Managing Trustee both in their capacity as Trustee and Member.
- 5.2.2 Subject to the exceptions specified in clause 5.2.1 the Trustees may by written authority signed by all the Trustees delegate, authorise the

sub-delegation or provide for the exercise of any of their duties, powers and discretions as they consider appropriate:

5.2.2.1 by a committee consisting of any two or more of themselves;

5.2.2.2 by such other person or persons or body including any one or more of themselves or of the Employers as the Trustees may from time to time determine;

and shall not be liable for any loss thereby arising.

5.3 Without prejudice to the generality of their powers the Trustees shall have power:

5.3.1 to employ and to remunerate any agent or agents (including any of themselves or one or more of the Employers) as may be agreed by the Trustees and the Employers in the transaction of any business of the Scheme including the payment of pensions and other benefits;

5.3.2 to appoint and obtain the advice of any Actuary, solicitor, accountant, Auditor or other adviser upon such terms as to duties and remuneration as they think fit;

5.3.3 to appoint and to remove (or to arrange for the appointment and removal of) any clerical or executive officers or staff as they consider desirable and to utilise the services of any officers or staff as any of the Employers may make available for this purpose;

5.3.4 to appoint an investment manager or investment managers in relation to the whole or any part of the Fund. The appointment shall be by written agreement between the Trustees and the investment manager in question and shall include terms governing his conduct, accountability and remuneration;

5.3.5 to open and operate or to authorise such persons or body as they think fit to open and operate bank accounts in the name of the Scheme;

5.3.6 to give written authority to a committee consisting of any two or more persons to draw cheques on the Scheme's bank accounts or to endorse any cheque or to give receipts and discharges in accordance with the authority laid down by the Trustees and every such endorsement, receipt and discharge shall be as valid and effectual as if it were given by the Trustees;

- 5.3.7 to authorise any two or more of themselves on their behalf to sign any document including a deed PROVIDED THAT a deed must be executed by all the Managing Trustees EXCEPT THAT a Trustee who is to be removed shall not be obliged to execute the deed of removal, and
- 5.3.8 to accept for the purposes of the Scheme or renounce any gifts, donations or bequests.
- 5.4 Any Insurer or other person dealing in good faith with the Trustees or their delegate may on their written authority remit any sums due to be paid to the Trustees and/or their delegate (subject to deducting and forwarding any tax due under Rule 28) directly to any person or persons to whom corresponding sums may be payable under the Scheme.
- 5.5 Subject to clauses 5.6, 5.7, 5.8 and 5.9 the Trustees may retain in any bank account such monies as they consider proper and shall have full powers of investment and application of any monies and other assets which form part of the Fund including all such powers which they could exercise if they were absolutely and beneficially entitled to the Fund. In particular and without prejudice to the generality of the foregoing the Trustees may invest or apply all or any part of the Fund in any part of the world:
- 5.5.1 in deferred or immediate annuity policies, life assurance policies, retirement, endowment or sinking fund contracts or policies each of which shall be effected with an Insurer;
- 5.5.2 in any interest in land or property;
- 5.5.3 in units, unit trusts or mutual funds or other common investment funds or securitised issues;
- 5.5.4 in the purchase of or subscription for or in underwriting, sub-underwriting or guaranteeing the subscription of any stocks, shares, debenture stocks or other investments;
- 5.5.5 in entering into and engaging in any obligations or contracts or dealings including dealings in currencies, traded options, financial futures, commodities or commodity futures;
- 5.5.6 by making a deposit in an account with any local authority, bank, insurance company, building society or finance company upon such terms as the Trustees think fit;
- 5.5.7 by participating in any Scheme of deposit administration or any managed fund administered by an Insurer; and

- 5.5.8 by participating in any investment (whether income producing or not) or in the acquisition, and/or development of any interest in land or property jointly with any other party or parties whether as partners or as trustees to hold it upon trust for sale or otherwise, even if the interest of the Trustees in any such venture is a minority interest.
- 5.6 In their capacity as trustees the Trustees shall not directly or indirectly lend money to an Employer or a Company Associated with an Employer unless the loan is an Authorised Employer Loan
- 5.7 In the exercise of any of their powers the Trustees may join with the trustees of any other Registered Pension Scheme:
 - 5.7.1 in having a joint deposit or current account subject to such arrangements as may be agreed with the trustees of the other Registered Pension Scheme;
 - 5.7.2 in borrowing money subject to such arrangements as may be agreed with the trustees of such other Registered Pension Scheme for sharing the liability for repayment and for any interest due;
 - 5.7.3 in taking out annuity or insurance contracts or policies with an Insurer;
 - 5.7.4 in the exercise and delegation (and authorisation of sub-delegation) of powers of investment, application and insuring of Fund assets;
 - 5.7.5 in appointing a nominee to hold investments or engage in transactions, and
 - 5.7.6 in sharing a portfolio of investments to the intent that any money paid towards and investments put into a combined portfolio shall be regarded as securing or representing a share in it on such basis as shall be agreed with the trustees of the other scheme or schemes.
- 5.8
 - 5.8.1 The Trustees may (subject to clause 5.8.2 and 5.8.3) either in their names or those of their nominee or nominees referred to in clause 5.11:
 - 5.8.1.1 make other suitable arrangements (in addition to those mentioned in clause 5.5.1) with an Insurer for the provision of all or any of the pensions or other benefits for which the Rules provide;
 - 5.8.1.2 enter into any arrangements with an Insurer to reinsure the whole or any portion of the risks undertaken and

may pay out of the Fund all premiums and other monies (if any) required for effecting and maintaining any such policies or arrangements.

5.8.2 The Trustees shall be entitled to deal with any policies or contracts by way of surrender, exchange, mortgage or otherwise or to make such other arrangements as they think fit.

5.8.3 Any provision made under this clause 5.8 in respect of any benefit (whether immediate or contingent) payable under the Rules to or in respect of a Deferred Pensioner or Pensioner may be made by effecting an individual annuity contract or policy in his name or in the names of the Trustees or (if the contract or policy was initially effected in the names of the Trustees) by assigning it to him. Each contract or policy shall be subject to any terms and conditions necessary to comply with the Pension Schemes Act.

5.9 The Trustees may, with the consent of the Principal Employer and subject to clause 5.6 :

5.9.1 borrow or raise any monies (including borrowing from the Principal Employer or any Associated Employer) upon any terms and conditions including securing of repayment, and

5.9.2 apply money borrowed in any manner which they think fit for the purposes of the Scheme including without prejudice to the generality of the foregoing for the purpose of purchasing any investment authorised by Clause 5.5 hereof

PROVIDED ALWAYS that such borrowing complies with the requirements of the Act and any associated Regulations. The Trustees may insure or procure the insurance of any assets of the Fund against such risks and for such amounts as they may determine and may apply any part of the Fund whether income or capital in effecting and maintaining the insurance. The Trustees shall hold the proceeds of the insurance upon the trusts of the Scheme with power to pay or apply the proceeds in whole or in part in or towards the repair, replacement, reinstatement or preservation of the asset insured or (as the case may be) in indemnifying the Trustees or the Fund against any claim made in relation to that asset. These powers may be exercised by the Trustees as if they were the absolute owner of the Fund.

5.10 The Trustees shall (except as provided by clause 5.7) ensure that each asset of the Fund is at all times held in the names of the Trustees or their nominee or nominees or jointly in the names of the Trustees and one or more of their nominees or in the name of a nominee or nominees of an investment manager appointed under clause 5.3.4.

6. Trustees' duty to operate Scheme bank accounts and to keep records

- 6.1 The Trustees shall arrange for bank accounts in the name of the Scheme to be opened and operated.
- 6.2 The Trustees shall keep records (or arrange for records to be kept) of all Members and of all retirements, deaths, withdrawals and other matters which need to be recorded for the proper administration and management of the Scheme.
- 6.3 The Trustees shall keep records (or arrange for records to be kept) for at least six years of all dealings with the Fund by them or on their authority.
- 6.4 Once a year the Trustees shall arrange for a statement of accounts and a balance sheet to be prepared in relation to the Fund and if required by the Disclosure Regulations, the Pensions Act, any Trustee or the Principal Employer, shall arrange for them to be audited by an Auditor. If the accounts are to be audited the Trustees and the Employers shall give the Auditor access to all books and documents connected with the Scheme and the Fund and the Auditor shall make and sign a report on the accounts which shall be open to inspection at the registered office of the Principal Employer by any person entitled to benefit under the Scheme. The fees of the Auditor shall be an expense of the Scheme.

7. Appointment, resignation and removal of Trustees

7.1

- 7.1.1 The Principal Employer may at any time by deed:
- 7.1.1.1 remove any one or more of the Managing Trustees
 - 7.1.1.2 appoint one or more persons or a body corporate (whether or not a trust corporation) to be a new or additional trustee or new or additional trustees of the Scheme.
- 7.1.2 The power of appointment and removal of Trustees shall be subject to the following conditions:
- 7.1.2.1 the minimum number of Trustees shall be two
 - 7.1.2.2 the maximum number of Trustees shall be twelve; and
 - 7.1.2.3 all Members shall be Trustees.

7.2

- 7.2.1 Any Managing Trustee may resign from office by giving one month's notice in writing to the Principal Employer PROVIDED THAT this requirement may be waived by the Principal Employer in writing.
- 7.2.2 Immediately on expiry of the notice or on the granting of the written waiver the Principal Employer shall by deed give effect to the Trustee's resignation. The retiring Trustee need not be a party to that deed.
- 7.3 The Trustees shall do everything necessary to give effect to any removal or resignation and to vest the Fund in any new or additional Trustees and/or in the continuing Trustees as the case may be.
- 7.4 If Section 22 of the Pensions Act applies the Trustees and the Principal Employer shall appoint an independent person as a trustee of the Scheme in accordance with Section 23 of the Pensions Act as soon as is practicable and if they fail to do so then the practitioner or official receiver (as referred to in that Section) shall be empowered to do so.

8. Proceedings of the Trustees

- 8.1 Subject to clause 8.3, if there is more than one Trustee:
 - 8.1.1 they shall exercise their powers, duties and discretions by resolutions passed in accordance with this clause at duly constituted meetings of the Trustees;
 - 8.1.2 a meeting of the Trustees shall be duly constituted if reasonable notice of it is given to all of the Trustees (and subject to clause 8.1.3) if a quorum of two Trustees is present at the time when the meeting proceeds to business;
 - 8.1.3 insofar as the business of the Trustees concerns powers, duties and discretions which must be exercised unanimously under clause 5.2.1 a meeting shall not be deemed duly constituted unless all the Trustees are present at the time when the meeting proceeds to that business;
 - 8.1.4 a resolution may be passed by a majority of the Trustees present at a duly constituted meeting EXCEPT THAT a resolution concerning the exercise of the powers, duties and discretions referred to in clause 5.2.1 must be passed unanimously, and
 - 8.1.5 a written resolution signed by all the Trustees shall be as valid and effective as if it had been passed at a duly constituted meeting of the Trustees and may consist of several documents in like form each signed by one or more of the Trustees.

- 8.2 Where any power, duty or discretion of the Trustees has been delegated under clause 5.2.2 that power, duty or discretion shall be exercised unanimously by the delegates.
- 8.3 If the Trustees resolve to conduct their meetings in a manner which falls within the statutory exemptions afforded to member-directed pension schemes from compliance with certain requirements of the Pensions Act then all future resolutions shall be passed unanimously by only those Managing Trustees who are Members of the Scheme.
- 8.4 No decision of or exercise of a power, duty or discretion by the Trustees or by any delegate of the Trustees shall be invalidated or questioned on the ground that any Trustee (or any director or officer of a corporate Trustee) or delegate had a personal interest in the manner or result of the decision or of exercising the power, duty or discretion. A Member who is or who has been a Trustee (or a director or officer of a corporate trustee) or a delegate of the Trustees shall be entitled to retain beneficially any interest or entitlement to benefits which he may have under the Scheme.

9. Actuarial Investigations

9.1 The Trustees:

9.1.1 may appoint an Actuary to the Scheme on such terms as may be agreed by the Principal Employer, the Trustees and the Actuary

9.1.2 may remove the Actuary appointed under clause 9.1.1

9.2 The Trustees may arrange for the financial condition of the Scheme to be investigated by the Actuary at any time. For this purpose the Actuary shall be given access by the Employers and the Trustees to all necessary accounts and documents and shall be supplied with all information he may require. The Actuary shall report to the Trustees in writing on the results of the investigation.

10. Remuneration, indemnity and liability of Trustees

10.1 Any Trustee (or officer of a corporate trustee) who is engaged in any profession or business shall be entitled to be paid and retain all usual professional or proper charges and commissions for business done by him or his firm in connection with the Scheme including acts which a Trustee (or officer of a corporate trustee) who is not in any profession or business could have done personally. A corporate trustee shall be paid any fees for its services agreed by the Principal Employer.

- 10.2 Without prejudice to the right to Indemnity given by law to trustees and subject as provided in this clause 10.2 the Trustees shall in the absence of fraud or crime (or negligence in the case of a professional trustee or trustees) be indemnified by the Employers against all liabilities and expenses properly incurred by them as Trustees and against all actions, proceedings, costs, expenses, claims and demands relating to the Scheme. So long as the Trustees are or include a corporate trustee the indemnity shall not extend to any claim or judgement against the corporate trustee in respect of unpaid value added tax. Subject to the Act, to the extent that the Trustees fail to be indemnified by the Employers, they shall be indemnified from the Fund.
- 10.3 Subject to Section 33 of the Pensions Act none of the Trustees (or of the officers of a corporate trustee) shall be liable for the consequence of any mistake or forgetfulness whether of law or fact of the Trustees, their agents or others appointed under clause 5.3 or advisers to the Trustees whether legal or otherwise or of any of them or for any breach of duty or trust whether by commission or omission unless it is proved to have been made, given, done or omitted in personal conscious bad faith of the Trustee or the officer of a corporate trustee sought to be made liable.
- 10.4 The Trustees may take out trustees' indemnity insurance or in the case of a corporate trustee directors' and officers' insurance to cover any liability or potential liability which they may have in respect of the Fund or the Scheme and the cost of premiums shall, to the extent permitted by the Act, be borne by the Fund.

11. Provision of Information to the Revenue

- 11.1 The Administrator shall furnish the Revenue with such information and documents including returns as the Revenue requires from time to time.

12. Recognised Transfers of Assets from or to another Registered Pension Scheme

12.1 Transfers to the Fund

The Trustees may with the consent of the Principal Employer accept a transfer to the Scheme of all or any of the assets of an Other Scheme on terms that the Member or other person in respect of whom the transfer is made shall be entitled to such benefits under the Scheme in lieu of benefits under the Other Scheme as may be agreed between the Trustees and the Other Trustees. The benefits arising on retirement from a transfer shall comply with the provisions of Schedule 36 of the Act and related Regulations to ensure that Members who have been subject to a block transfer and who had protected entitlements to lump sums exceeding 25% of their Uncrystallised Pension Rights retain that entitlement in the Scheme. Any entitlements exceeding 25% that are protected

under Schedule 36 of the Act and related Regulations on the winding-up of the Other Scheme shall remain protected on a transfer to the Scheme.

12.2 Transfers from the Fund

12.2.1 The Trustees may transfer to an Other Scheme (whether or not the Other Scheme is established by any of the Employers) all the assets of the Fund or such part of it as having regard to the advice of an Actuary they determine to be just and equitable. The transfer shall be subject to the following terms and conditions:

12.2.1.1 the Member (or other person in respect of whom the transfer is made) shall be entitled in lieu of benefits under the Scheme to such benefits under the Other Scheme as may be agreed between the Trustees and the Other Trustees;

12.2.1.2 the Trustees shall obtain confirmation from the Other Trustees that the Other Scheme is a Registered Pension Scheme (or where appropriate a Qualifying Recognised Overseas Pension Scheme);

12.2.1.3 the Trustees shall provide such information as is reasonably required by the Trustees of the Other Scheme or by the Act;

12.2.2 A transfer shall only be made without the consent of the Member (or other person in respect of whom it is to be made) if the requirements of Chapter 1 of Part IV of the 1993 Act are satisfied.

12.2.3 Once a transfer or purchase is made under clause 12.2 and/or Rule 13 there shall (subject to any special terms or conditions imposed by the Trustees) cease to be any entitlement on the part of a Member or any person claiming under him to benefits under the Scheme represented by the transfer and the Trustees shall be released from any liability in respect of those benefits.

13. Participating Employers

13.1 Subject to clause 4.2 the Principal Employer may with the consent of the Trustees extend the benefits of the Scheme to those employees of any Participating Employer who are or become eligible for Membership.

14. Variation and augmentation of benefits

14.1 After consultation with any Actuary appointed under clause 9 and with the approval of the Principal Employer the Trustees may

14.1.1 augment or extend or bring forward the date of payment of any benefits payable to or in respect of any person who is or has been a director or employee of any of the Employers (whether or not such a person is a Member); or

14.1.2 grant new or additional benefits in respect of any Member or other person

PROVIDED THAT the Employer by which he is or has been employed agrees to pay any additional contributions which the Trustees after taking the advice of the Actuary consider appropriate.

14.2 Any Employer may at any time pay and the Trustees receive monies for better ensuring the solvency of the Fund and the provision of the then existing benefits under the Scheme.

14.3 The Trustees may with the approval of the Principal Employer augment any pension in course of payment under the Scheme (including a pension granted under clause 14.4) and any deferred pension prospectively payable PROVIDED THAT the Employer in question pays any sum which may be required under clause 14.1.

14.4 If:

14.4.1.1 any of the Employers grants any pension to any former director or employee or the widow or Dependant of any such person and requests the Trustees to arrange for the payment from the Fund of an equivalent pension from a stated date at a yearly rate; and

14.4.1.2 the Trustees consent (which consent may not be unreasonably withheld); and

14.4.1.3 the Employer pays to the Fund any contribution which the Actuary determines is required to meet the additional liability

the pension shall be payable to that person out of the fund.

15. **Amendment of the Scheme**

15.1 Subject to clause 15.2, the Principal Employer may with the consent of the Trustees by deed executed by the Principal Employer and the Trustees amend the Definitive Deed, Rules and/or Revenue Appendix by altering, replacing, deleting, curtailing or adding to all or any of their provisions even if as a result the destination of benefits may be changed or benefits under the Scheme may be cancelled, reduced or otherwise prejudicially affected. An amendment may

be retrospective in effect except that no Employer shall as a result be relieved from liability for any contributions which have become payable before the date on which the proposed amendment has been made known to the Trustees in general terms.

15.2 No amendment shall be made to the provisions of the Scheme which:

15.2.1 would adversely affect any pension or annuity then payable or the rights of any Deferred Pensioner without the written consent of the person concerned, or

15.2.2 would in the opinion of the Actuary operate to reduce the aggregate value of the benefits payable to and in respect of any Active Member (excluding any such benefits which would be payable on death in Service before his Normal Retirement Date) below the aggregate value of the benefits which would have been payable to and in respect of him if he had left Service immediately before the effective date of the amendment.

16. **Determination of questions**

16.1 Subject to the powers expressed to be exercisable by any of the Employers, the Trustees may conclusively determine whether or not any person is entitled to any benefit and the amount of any benefit, and may also conclusively determine all questions and matters of doubt arising in connection with the Scheme.

17. **Winding up and dissolution**

17.1 The Scheme shall be wound up, the Fund shall be dissolved and the trusts of the Scheme shall be determined in the events and in the manner specified in Section I of the Rules.

18. **Governing laws**

18.1 The Definitive Deed, Rules and Revenue Appendix shall in all respects be governed by and interpreted according to the laws of England and Wales.

19. **Insolvency of the Principal Employer and Notice to Terminate Contributions**

19.1 If

19.1.1 an administrative receiver as defined in Section 29(2) of the Insolvency Act 1986 is appointed in respect of all or part of the property of the Principal Employer;

- 19.1.2 a liquidator of the Principal Employer is appointed under Part IV of the Insolvency Act 1986, or
- 19.1.3 an administrator of the Principal Employer is appointed under Part II of the Insolvency Act 1986; or
- 19.1.4 the Principal Employer gives notice to terminate its contributions under Rule 32.1.2.

then all the powers of the Principal Employer and the other Employers under the Definitive Deed, Rules and Revenue Appendix whether fiduciary or not shall vest in and be exercisable by the Trustees, PROVIDED ALWAYS THAT the Trustees may subsequently transfer such powers to another party which acquires the undertaking of the Principal Employer and enters into a deed with the Trustees in which it covenants to observe and perform the Principal Employer's obligations under the Scheme.

20. Change of Principal Employer

If another party enters into a deed with the Trustees in which it covenants to observe and perform the Principal Employer's obligations under the Scheme the Principal Employer shall be released from all its obligations and the other party shall be deemed to be substituted for the Principal Employer as the party liable to perform those obligations and the Definitive Deed, Rules and Revenue Appendix shall have effect as if that other party had executed the Definitive Deed in place of the Principal Employer and as if references in the Definitive Deed, Rules and Revenue Appendix to the Principal Employer were references to that party.

- 20.1 If the Principal Employer is to continue to participate in the Scheme as a Participating Employer following its release as Principal Employer it shall enter into a covenant in the form contained in clause 4.1 or in such other form as the Trustees may require.

21. Costs of the Scheme

- 21.1 All costs charges and expenses of and incidental to the administration and management of the Scheme shall be borne by the Fund unless the Principal Employer determines that they shall be borne by the Employers in the same shares as the contributions payable by them for the period in which such costs charges and expenses were incurred.

THIS DOCUMENT is executed as a Deed and is delivered on the date stated at the beginning of this Deed

THE SCHEDULE

RULES

OF THE

Hammerhead TV Pension Scheme No 1

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RULES

SECTION A: GENERAL

Rule 1 Name of the Scheme

- 1.1 The Scheme is called the Hammerhead TV Pension Scheme No 1

Rule 2 Commencement

- 2.1 The Scheme came into operation on the Commencement Date. These Rules and the Revenue Appendix take effect from the 6th April 2006 save where otherwise provided).

Rule 3 Interpretation: specific terms

- 3.1 In the Definitive Deed, Rules and Revenue Appendix unless the context otherwise requires:

"1993 ACT" shall mean the Pension Schemes Act 1993 and any statutory amendment, modification or re-enactment thereof.

"ACT" shall mean the Finance Act 2004 and any statutory amendment, modification or re-enactment thereof.

"ACTIVE MEMBER" means an Employee who has been admitted or re-admitted to Membership of the Scheme and who following such admission or re-admission has not ceased to be an Active Member under Rule 7.5

"ACTIVE MEMBERSHIP" has a corresponding meaning

"ACTUARY" means such Fellow or a firm of Fellows of the Institute of Actuaries or of the Faculty of Actuaries, or a person with other actuarial qualifications as the Trustees may appoint for any particular purpose

"ADMINISTRATOR" means the Administrator of the Scheme appointed in accordance with Section 270 of the Act

"ALTERNATIVELY SECURED PENSION" means Income Withdrawal in the case of a Member who has reached age 75.

"ALTERNATIVELY SECURED PENSION FUND" means such sums or assets that either

- (a) were part of the Member's Unsecured Pension Fund when he reached age 75 or that arise, or (directly or indirectly) derive from sums or assets within the member's Unsecured Pension Fund or which so arise or derive; or

- (b) became held for the purposes of the Scheme after the Member reached aged 75 or that arise, or (directly or indirectly) derive from sums which became so held or which so arise or derive, and which have not been subsequently applied towards the provision of a Scheme Pension.

"APPROPRIATE PERSONAL PENSION SCHEME" means a Personal Pension Scheme which complies with the requirements of Section 9(5) of the 1993 Act

"ASSOCIATED EMPLOYER" An Employer is associated with another employer if one is controlled by the other, or both are controlled by a third party. Control has the meaning in section 840 of ICTA, or in the case of a close company, section 416 of ICTA.

"ASSOCIATED EMPLOYERS" means all such companies, persons or bodies

"ASSOCIATED SCHEME" shall mean any Registered Pension Scheme providing benefits in respect of Service.

"ASSURER" shall mean a branch or agency in the United Kingdom of an insurance company to which the Financial Services and Markets Act 2000 ("FSMA") applies and which is authorised by or under FSMA to carry on ordinary long-term insurance business as defined in FSMA and any insurance company as described in Section 275 of the Act.

"AUDITOR" means an individual or firm qualified to act as an auditor of a company under Section 389 of the Companies Act 1985, or a person approved for this purpose by the Secretary of State for Social Security, not being (unless the Pensions Act so permits)

- (a) a Member;
- (b) a Trustee or any person connected with, or an associate of a Trustee;
- (c) a person employed under a contract of service by the Trustees;
- (a) any Employer or Group Employer, or
- (b) a director, officer or employee of any Employer or Group Employer

"BASIS AMOUNT" means such amount as is defined in paragraphs 10 and 14 of Schedule 28 to the Act as appropriate and as may be amended from time to time.

"BENEFICIARY" means

- (a) the spouse or Civil Partner of the Member or any ancestor or descendant (however remote) of the Member or of his spouse or Civil Partner and the spouse or Civil Partner of any such ancestor or descendant;
- (b) any stepchild, brother or sister of the Member (whether of the whole or of the half blood) and any descendant of any such stepchild, brother or sister and the

spouse or Civil Partner of any such stepchild, brother or sister or of any descendant of a stepchild, brother or sister;

- (c) any stepbrother or stepsister of the Member;

whether or not the Member contributed to their maintenance or support;

- (a) any other person who in the opinion of the Trustees has been dependent or partly dependent upon the Member for maintenance or support;
- (b) any person or body whom the Member has notified to the Trustees as being a person or body he wishes to be considered as a recipient of benefit in the event of his death, and
- (c) any person or body beneficially interested under any testamentary disposition of the Member or under his intestacy.

For the purposes of this definition

- (i) "spouse" includes wife, husband, widow, widower and any former wife or husband and a person with whom the Member has gone through any ceremony of marriage or who is living with the Member as his spouse, and
- (ii) "descendant" includes adopted persons and those who have been treated as children of the family

The class of Beneficiaries shall be closed at the Member's death but shall include persons then conceived but unborn who, if they had been born, would have been Beneficiaries

"BENEFIT CRYSTALLISATION EVENT" means an event listed in the table at paragraph 19(b) of the Revenue Appendix.

"BLOCK TRANSFER" means a transfer in a single transaction of all the sums and assets held for the purposes of, or representing accrued rights under, the arrangements under a pension scheme from which the transfer is made which relate to the Member and at least one other Member of that pension scheme and either the Member was not a member of the pension scheme to which the transfer is made before the transfer or he has been a member of that pension scheme but for no longer than such period as is prescribed by the Revenue.

"CHILD" shall mean a natural, adopted or stepchild (which stepchild is a child of the spouse of the Member at the date of his death) of the Member who at the time of the Member's death was under 23 and financially dependent upon the Member

"CHILDREN" has a corresponding meaning

"CIVIL PARTNER" means a person registered as a civil partner, in accordance with the procedures set out in the Civil Partnership Act 2004

"COMMENCEMENT DATE" means the date specified in Recital (A)

"CONNECTED PERSON" means such persons as are defined in Section 839 of ICTA.

"CRYSTALLISED PENSION RIGHTS" means

25 x ARP

where,

ARP is an amount equal to the annual rate at which any relevant existing pension as defined in Schedule 36 of the Act is payable to the Member on 5th April 2006, but does not include any pension annuity or right of entitlement to it was attributable to the death of any person.

"DEATH BENEFIT TRUSTS" means those trusts upon which a lump sum death benefit is to be held by the Trustees. The Trustees shall endeavour to pay or apply it within two years from the date of death to or for the benefit of the Member's Beneficiaries in such shares and upon such trusts and in such manner as the Trustees think fit. If any part of the benefit has not been distributed within two years it shall be either retained for distribution in a separate account outside the Scheme or paid to the legal personal representatives of the Member to devolve by way of direct gift to the person beneficially entitled under the Member's will or intestacy (but not go in to form part of his estate). If the residue of the Member's estate passes as bona vacantia, then the benefit shall not be payable and shall be retained in the Fund by the Trustees

"DEFERRED PENSIONER" means a person for whom a pension benefit is held under Rule 13.1 but who has not yet become a Pensioner or Postponed Pensioner

"DEFINITIVE DEED" means the Definitive Trust Deed of the Scheme and all amendments and modifications to it

"DEPENDANT" means a person who is financially dependent on the Member or dependent on him because of disability or who was so dependent at the time of the Member's death or retirement. A Member's spouse or Civil Partner shall be regarded as a Dependant. A Member's unmarried partner whether of the same or opposite sex shall be regarded as financially dependent where the partner relied upon a second income to maintain a standard of living which had depended on joint income prior to the Member's death. A Child or Children of the Member shall be regarded as a Dependant

"DEPENDANTS' ANNUITY" means an annuity for a Dependant as defined in paragraph 17 of Schedule 28 to the Act.

"DEPENDANTS' SCHEME PENSION" means a scheme pension for a Dependant as defined in paragraph 16 of Schedule 28 to the Act.

"DISCLOSURE REGULATIONS" means The Occupational Pension Schemes (Disclosure of Information) Regulations 1996

"DISSOLUTION DATE" means the effective date of winding-up of the Scheme

"DISQUALIFYING PENSION CREDIT" means a Pension Credit which when the Member becomes entitled to it, the person subject to the corresponding Pension Debit has an actual right to payment of a pension under the relevant arrangement.

"EMPLOYEE" means an employee of an Employer and who is subject to United Kingdom tax and is employed by an Employer and includes a salaried director.

"EMPLOYER RELATED INVESTMENTS" shall have the same meaning as in Section 40 of the Pensions Act.

"EMPLOYERS" means the Principal Employer and every Participating Employer or such one or more of them as the context or the circumstances may require and **"EMPLOYER"** in relation to any person means whichever Employer by whom that person is or was employed at the relevant time.

"EX-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.

"EX-SPOUSE PARTICIPANT" is an Ex-Spouse who participates in the Scheme. For this purpose the Ex-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 contributions paid to and received by the Trustees under the Scheme and the monies, investments, policies and property for the time being representing them, and any other monies, investments, policies and property for the time being held by the Trustees upon the trusts of the Scheme.

"ICTA" means the Income and Corporation Taxes Act 1988 and any Regulations made under it.

"ILL-HEALTH CONDITION" means a Member is (and will continue to be) incapable of carrying on the Member's occupation because of physical or mental impairment, and the Member has in fact ceased to carry on his occupation and the Administrator has received evidence from a registered medical practitioner to that effect.

"INCOME WITHDRAWAL" means, in the case of a Member who has not yet reached age 75, an amount (other than a payment of an annuity) which the Member is entitled to be paid from his Unsecured Pension Fund, and in the case of a Member who has reached age 75 an amount which a Member is entitled to be paid from the Member's Alternatively Secured Pension Fund.

"INDEX" shall mean the General Index of Retail Prices (All items) published by the Central Statistical Office or any replacement adopted by the Trustees without prejudicing the registered status of the Scheme. Where an amount is increased by "the level of the percentage increase in the Index" over a period, the increase as a percentage of the original amount must equal the percentage increase between the figures in the Index for the months in which the pension began and ended, with an appropriate restatement of the later figure if the Index has been replaced or rebased during that period.

"INSURER" means an insurance company, EC company or friendly society as described in Section 659B of the Taxes Act or any other Insurer who satisfies applicable legal requirements for any particular purpose.

"ITEPA" means the Income Tax (Earnings and Pensions) Act 2003, as may be amended from time to time.

"LETTER OF ANNOUNCEMENT" shall mean a letter from the Employer delivered to the Employee setting out the agreed terms and conditions of the Employee's Membership the respective contributions of the Employer and Employee and the benefits to be provided.

"LIFETIME ALLOWANCE" means £1,500,000 for the tax year 2006-07 or such amount as has been specified by order made by the Treasury for the relevant tax year PROVIDED THAT the Lifetime Allowance applicable to a Member shall be increased where appropriate in accordance with Sections 220-226 (inclusive) and paragraphs 7-11 (inclusive) and 18 of Schedule 36 of the Act.

"LIFETIME ANNUITY" means an annuity the amount of which either cannot decrease or will fall to be determined in a manner prescribed by the Revenue payable by an insurance company, which the Member had the opportunity to select, and which is payable until the Member's death or until the later of the Member's death and the end of a term certain not exceeding ten years.

"LUMP SUM ALLOWANCE" means:

(CSLA-AAC)

4

where: CSLA is the current standard lifetime allowance, as determined by the Act;
and

AAC is the aggregate of the amounts crystallised by each Benefit Crystallisation Event which has occurred in relation to the Member before he becomes entitled to the lump sum, and which shall be adjusted by the same factor as:

CSLA

PSLA

where: PSLA is the standard lifetime allowance applicable under the Act at the time of the previous Benefit Crystallisation Event, if any.

"LUMP SUM APPLICABLE AMOUNT" means:

- (a) where a Member becomes entitled to a Scheme Pension:

$$\frac{(LS + AC) - R}{4}$$

where: LS is the amount of the lump sum;

AC is the amount crystallised by reason of the Member becoming entitled to the pensions, as provided for in paragraph 19(b) of the Revenue Appendix; and

R is the amount of those sums or assets as represent the whole or part of the Member's Unsecured Pension Fund if the Scheme Pension is funded in whole or in part by the application of such sums or assets, and/or so much (if any) of the lump sum and the amount crystallised as represents rights which are attributable to a Disqualifying Pension Credit;

- (b) where a Member becomes entitled to Income Withdrawal, one third of the aggregate of the amount of the sums designated as available for the payment of Unsecured Pension on that occasion and the market value of the assets so designated, excluding any sums or assets so designated which represent rights attributable to a Disqualifying Pension Credit;
- (c) where a Member becomes entitled to a Lifetime Annuity, one third of the aggregate of the amount of such of the sums and the market value of such of the assets held for the purposes of the Scheme as are applied in (or in connection with) the purchase of the Lifetime Annuity and any related Dependant's annuity PROVIDED THAT such aggregate shall not include any sums or assets which represent either the whole or part of the Member's Unsecured Pension Fund, or those rights which are attributable to a Disqualifying Pension Credit.

"LUMP SUM PERCENTAGE" means

$$\frac{\text{VULSR}}{\text{VUR}} \times 100\%$$

where: VULSR is the value of the Member's Uncrystallised Lump Sum Rights, calculated in accordance with paragraph 32 of Schedule 36 to the Act; and

VUR is the value of the Member's Uncrystallised Rights, calculated in accordance with paragraph 33 of Schedule 36 to the Act.

"LUMP SUM PERMITTED MAXIMUM" means the lower of (a) the available portion of the Member's Lump Sum Allowance and (b) the Lump Sum Applicable Amount PROVIDED THAT it shall be nil if all the Member's rights under the arrangement under which the Member becomes entitled to the relevant pension are attributable to a Disqualifying Pension Credit.

"MANAGING TRUSTEE OR TRUSTEES" means the said Paul Anthony Turtle and Nigel Alan Hoban or other Trustee.

"MEMBER" means all or any (as the context permits or requires) of the following:

Active Members;

Pensioners;

Deferred Members;

Postponed Pensioners; and

Ex-Spouse Participants

"MEMBERSHIP" has a corresponding meaning

"MEMBER'S INTEREST" in relation to a Member means that part of the Fund which is attributable to a Member having regard to the contributions paid by him and in respect of him and the investment of those contributions and any other part of the Fund allocated or re-allocated to his "Member's Interest" from time to time.

"MEMBER'S CONTRIBUTION CREDIT" means such part of any amount or value which is to be treated as a contribution paid by a Member when received on a transfer to the Fund under clause 12.1.

"MONEY PURCHASE ARRANGEMENT" means an arrangement under which all the benefits that may be provided to or in respect of a Member are either (a) Money Purchase Benefits, or (b) benefits the rate or amount of which is calculated by reference to an amount available for the provision of benefits to or in respect of the Member

calculated otherwise than wholly be reference to payments made under the arrangement by the Member or by any other person in respect of the Member.

"MONEY PURCHASE BENEFITS" means benefits the rate or amount of which is calculated by reference to an amount available for the provision of benefits to or in respect of the Member.

"NORMAL MINIMUM PENSION AGE" shall be age 50 up to and including 5th April 2010 and shall be 55 with effect from 6th April 2010 save in respect of those Members who retain a protected pension age of less than 55 after 6th April 2010 in accordance with paragraph 22 of Schedule 36 of the Act.

"NORMAL RETIREMENT DATE" in relation to a Member means the date of attainment of age 65 or any other date which has been notified to him.

"OTHER SCHEME" means any Registered Pension Scheme, or arrangement including a Personal Pension Scheme or Qualified Policy from which the Trustees may accept a transfer of assets into the Fund or to which the Trustees may make a transfer of assets from the Fund in accordance with the Revenue Appendix.

"OTHER TRUSTEES" means the trustees or administrator of any Other Scheme.

"PARTICIPATING EMPLOYER" shall mean each company or other organisation, undertaking or business (except the Principal Employer) which has agreed to participate in the Scheme and has entered into a covenant with the Principal Employer and the Trustee to perform and observe such provisions of the Scheme as are on its part to be performed and observed.

"PENSION CREDIT" means a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999.

"PENSION CREDIT BENEFIT" in relation to a scheme, 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 Welfare Reform and Pensions Act 1999.

"PENSION DEBIT MEMBER" means a Member whose benefits have been permanently reduced by a Pension Debit.

"PENSION INPUT AMOUNT" means the amounts calculated in accordance with the formulae provided at paragraph 18 of the Revenue Appendix.

"PENSION INPUT PERIOD" means (a) the period commencing with the first date on which a Relevant Contribution is made, and ending with the earlier of the anniversary of such date or the date nominated by the Administrator, and (b) each subsequent period beginning immediately after the end of the period referred to in (a) and ending with the earlier of the anniversary of the date on which that period ended and the anniversary of the date nominated by the Administrator falling in the tax year immediately after that in which the last Pension Input Period ended. The last Pension Input Period shall end when the Member first becomes entitled to all the benefits which may be provided to him under the Scheme.

"PENSION PROTECTION LIMIT" means the amount calculated by the formula:

$$AC - AP - TPLS$$

where:

AC is the Amount Crystallised on a Benefit Crystallisation Event in respect of the Member;

AP is the amount of pension paid in respect of the period between the Member becoming entitled to the pension and the Member's death; and

TPLS is the total amount of Pension Protection Lump Sum Death Benefit previously paid in respect of the pension.

"PENSION SHARING ORDER" means any order or provision as is mentioned in Section 28(1) of the Welfare Reform and Pensions Act 1999 or Article 25(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999.

"PENSIONABLE SERVICE" shall have the meaning ascribed to it by the 1993 Act.

"PENSIONER" (except in the expression "Postponed Pensioner") means a person in receipt of a pension from the Scheme by reason of his past employment (i.e. where an annuity has been purchased in the name of the Trustees with the Principal Employer's consent).

"PENSIONS ACT" means the Pensions Act 1995.

"PENSIONS REGULATOR" means the regulatory body for work based pension schemes in the United Kingdom that replaced the Occupational Pensions Regulatory Authority on 6th April 2005.

"PERMITTED MARGIN" means the amount defined in paragraph 11 of Schedule 32 to the Act.

"PERMITTED TRANSFER" means a transfer so defined in paragraph 12 of Schedule 36 to the Act.

"PERPETUITY PERIOD" means the period of 80 years commencing on the Commencement Date or such longer period as the law will permit for occupational pension schemes.

"PERSONAL PENSION SCHEME" shall have the same meaning as in Chapter IV of Part XIV of the Capital Taxes Act.

"POSTPONED PENSIONER" means a person who has reached Normal Retirement Date and is entitled to a pension in respect of his Service completed up to that date but who has elected under Rule 12 to postpone the payment of his pension.

"PRINCIPAL EMPLOYER" means the Principal Employer named in the Definitive Deed and includes any other company or undertaking which has taken over the function of the Principal Employer under clauses 19 or 20.

"PROTECTED RIGHTS" has the same meaning as in Section 10(2) of the 1993 Act and the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996, SI 1996/1537 (as amended).

"QUALIFIED POLICY" means an appropriately secured policy of Insurance or annuity contract such as is described in Section 19(3) of the 1993 Act.

"QUALIFYING RECOGNISED OVERSEAS PENSION SCHEME" means an overseas pension scheme which is established in a country or territory prescribed by regulations issued by the Revenue and satisfies any requirements so prescribed.

"QUALIFYING SERVICE" In relation to a Member means the aggregate of the following:

- (a) periods of Pensionable Service whether or not continuous;
- (b) every period of membership of an Other Scheme in respect of which a transfer has been made to the Fund under clause 12 PROVIDED THAT
 - (i) no account shall be taken of any period which does not qualify the Member for those benefits under the Scheme which would be payable to or in respect of him if he remained in Service until Normal Retirement Date;
 - (ii) no period shall be reckoned twice;
 - (iii) interruptions of an interval not exceeding one month in continuous Service, employment or Membership shall be disregarded, and
 - (iv) where required by the 1993 Act there shall be disregarded periods of interruption in continuous Service, employment or Membership which are attributable to

- (1) maternity absences or parental leave after which a right to return to work is exercised under the Employment Rights Act 1996, and
- (2) periods which correspond to the Member's absence from work in furtherance of a trade dispute within the meaning of Section 35 of The Jobseekers Act 1995

"RECOGNISED TRANSFER" means a transfer to another Registered Pension Scheme or to a Qualifying Recognised Overseas Pension Scheme as set out in Section 169 of the Act.

"REGISTERED PENSION SCHEME" means a pension scheme which is registered with the Revenue pursuant to Chapter 2, Part 4 of the Act.

"REGULATIONS" means statutory instruments

"RELEVANT CONTRIBUTION" means (a) all contributions paid by or on behalf of the Member under the Scheme in respect of which the Member receives tax relief under the Act; (b) all contributions paid in respect of the Member under the Scheme by an Employer.

"RELEVANT DATE" in relation to a Member means the earliest of the following:

- (a) the date he retires;
- (b) the date he leaves Service;
- (c) the date he dies;
- (d) the date he ceases to be an Active Member, and
- (e) his Normal Retirement Date

"REVENUE" means Her Majesty's Revenue & Customs.

"RULES" means the Rules of the Scheme and any amendments or modifications to them.

"SCHEME" means the retirement benefit scheme set out in the Definitive Deed Rules and Revenue Appendix.

"SCHEME PENSION" means a pension payable by the Administrator or by an insurance company selected by the Administrator until the Member's death, or until the later of the Member's death and the end of a term certain not exceeding ten years, with the rate of pension payable at any time during any 12-month period being not less than the rate payable immediately before that period or the day on which the Member becomes entitled to the pension in the case of the first 12-month period.

"SCHEME YEAR" means annually the period of one year ending on a date chosen by the Trustees.

"SERIOUS ILL HEALTH" means such ill health that the expectation of life is unquestionably very short (i.e. less than a year) and the Administrator is satisfied by adequate medical evidence that this is the case.

"SERVICE" shall mean service with the Employer or an Associated Employer or an employer who is associated with the Employer only by virtue of a permanent community of interest.

"SHORT-TERM ANNUITY" means an annuity, the amount of which cannot decrease or will fall to be determined in a manner prescribed by the Revenue, payable by an insurance company which the Member has the opportunity to select and which is purchased with sums or assets representing the whole or any part of the Member's Unsecured Pension Fund and which is payable for a term not exceeding five years ending before the Member reaches age 75.

"TAX YEAR" means a year for which any Act provides for income tax to be charged.

"TOTAL LUMP SUM RIGHTS" means the Member's total lump sum rights on 5th April 2006 which shall be:

$$\frac{(\text{VCPR}) + \text{VULSR}}{4}$$

where,

VCPR is the value of the Member's Crystallised Pension Rights on 5th April 2006; and

VULSR is the value of the Member's Uncrystallised Lump Sum Rights on that date.

"TOTAL PENSION INPUT AMOUNT" means the aggregate of the Pension Input Amounts in respect of each arrangement under those Registered Pension Schemes in which a Member is a member.

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

"TRUSTEES" means the Managing Trustees for the time being and shall include the survivor or survivors of them and their successors in office.

"UNAUTHORISED PAYMENT" means any payment not authorised by the Revenue Appendix.

"UNCRYSTALLISED FUNDS LUMP SUM DEATH BENEFIT" means a lump sum death benefit which satisfies the conditions set out in paragraph 15 of Schedule 29 to the Act.

"UNCRYSTALLISED LUMP SUM RIGHTS" means the amount of any lump sum to which the Member would have been entitled under the arrangement on 5th April 2006 on the assumption that the Member became entitled to the present payment of a lump sum under the arrangement on that date and as calculated in accordance with paragraphs 25 and 26 or paragraphs 32 and 33, as appropriate, of Schedule 36 to the Act.

"UNCRYSTALLISED PENSION RIGHTS" means the aggregate of the amount of such sums held for the purposes of the arrangement and the market value of such of the assets held for the purposes of the arrangement as represent those rights

PROVIDED THAT a Member's Uncrystallised Pension Rights shall not exceed:

20 x MPP

where,

MPP is the maximum annual pension that could be paid to the Member on 5th April 2006 under the arrangement(s) without giving the Revenue grounds for withdrawing approval of the pension scheme under section 591B of ICTA. In calculating MPP it will be assumed that, had he not already done so, the Member left the employment to which the arrangement relates on 5th April 2006 and that if he had not reached the lowest age at which a pension could be paid to a person in good health, this would not give the Revenue grounds for withdrawing approval.

"UNSECURED PENSION" means a Short-Term Annuity or Income Withdrawal.

"UNSECURED PENSION FUND" means such of the sums or assets held under the Scheme that have been designated at any time under the Member's Interest as available for the payment of Unsecured Pension, or that arise, or (directly or indirectly) derive from sums or assets which have been so designated or which so arise or derive and have not been applied towards the provision of a Scheme Pension.

"UNSECURED PENSION FUND LUMP SUM DEATH BENEFIT" means a lump sum death benefit which satisfies the conditions set out in paragraph 17 of Schedule 29 to the Act.

"UNSECURED PENSION YEAR" means the period of 12 months beginning with the day on which the Member first becomes entitled to Unsecured Pension in respect of the Money Purchase Arrangement and each succeeding period of 12 months.

"UNSURRENDERED PENSION" means that part of a pension remaining payable to a Member after commutation under Rule 15 and/or surrender under Rule 16.

"VALUATION ASSUMPTIONS" means, in relation to a person, benefits and a date, if a person has not reached such age (if any) as must have been reached to avoid any reduction in the benefits on account of age, that the person reached that age on the date, and that the person's right to receive the benefits had not been occasioned by physical or mental impairment.

"WINDING-UP DATE" means the date the Trustees decide to wind-up the Scheme under Rule 32

Rule 4 Interpretation: general

- 4.1 In the Definitive Deed, Rules and Revenue Appendix where the context does not otherwise determine words (other than the words "male" and "female") importing the masculine or the feminine or the neuter gender shall include any other gender. Words importing the singular number shall include the plural number and vice versa. Reference to any enactment or Regulations shall include reference to any statutory amendment or re-enactment for the time being in force and where appropriate any subsequent related legislation.
- 4.2 Any period of 365 consecutive days (or of 366 consecutive days if the period includes the 29th February) shall constitute a year but not so that in the calculation of a number of years any day is counted more than once. Where the amount of a benefit depends upon the calculation of a number of years without expressly requiring that these should be complete years a proportionate amount shall be given for any part of a year which would not otherwise be included in the calculation.
- 4.3 Where reference is made in the Definitive Deed, Rules and Revenue Appendix to a month it shall be construed as a period beginning on a date in one calendar month and ending on the date immediately preceding the same numbered date in the following calendar month. For the purposes of calculations of benefits each month shall be taken as one-twelfth of a year regardless of the number of days in it.
- 4.4 Where reference is made in the Definitive Deed, Rules and Revenue Appendix to a week it shall mean any period of seven consecutive days.
- 4.5 In any instance where a right or benefit is expressed in the Rules as being subject to the consent of the Trustees or may under the Rules be withheld, limited, curtailed or excluded by the Trustees, no Member or other person affected by the consequences either of the Trustees' failure to consent or of any such withholding limitation, curtailment or exclusion shall have any right in that behalf against any Employer.
- 4.6 The list of clauses at the beginning of the Definitive Deed, the list of Rules at the beginning of the Rules and the headings to the clauses to the Rules and to

the Sections and paragraphs of the Revenue Appendix are for convenience of reference only and shall not affect the interpretation of the Definitive Deed, Rules or Revenue Appendix.

SECTION B: MEMBERSHIP

Rule 5 Eligibility

- 5.1 An Employee may be invited by his Employer to become a Member upon such terms and conditions as may be agreed individually between each Employee and Employer and shall be recorded in a Letter of Announcement.
- 5.2 An Employer may invite any other person to become a Member provided the Scheme's status as a Registered Pension Scheme is not prejudiced.
- 5.3 In case of any doubt or dispute as to whether or not any person is or is not eligible for Active Membership the decision of the Employer shall be final and binding on all parties.

Rule 6 Medical evidence and other relevant information

- 6.1 The Trustees reserve the right at any time to waive all or any of the conditions and restrictions contained in this Rule.
- 6.2 The Trustees shall be entitled at any time to call upon any Member, Employee or other person entitled or prospectively entitled to benefit to supply such evidence of age, good health, marital status and any other evidence and information as they reasonably require, including details of all other actual or prospective pension entitlements and may withhold payment of benefits until the evidence or information is received and accepted by the Trustees as satisfactory for their purposes, and may withhold or reduce the benefits where the Member or other person has given incorrect or insufficient information regarding age, health or marital status.
- 6.3 A Member, Employee or any person entitled or prospectively entitled to benefit shall without delay notify the Trustees of any event or fact which affects or may affect his eligibility to participate in the Scheme or his entitlement or prospective entitlement under it.
- 6.4 Entitlement to all or any benefits in respect of an Active Member on his retirement due to incapacity or on his death in either case occurring before Normal Retirement Date shall when he is admitted to Active Membership be made subject to production of evidence of good health satisfactory to the Trustees and shall subsequently be restricted to the existing level of benefits subject to production of further such evidence. If following a request under Rule 6.2 an Active Member fails to provide evidence satisfactory to the

Trustees, the Trustees may exclude him in whole or in part from entitlement in respect of all or any benefits payable on his retirement due to incapacity or on his death occurring in either case before Normal Retirement Date or may restrict his prospective entitlement to those benefits or may grant or increase the benefits in respect of him but subject to any conditions or restrictions the Trustees may think appropriate.

- 6.5 Upon production to them of satisfactory evidence of good health, the Trustees may remove or modify any restriction under Rule 6.4 at any time after the date of admission to Active Membership or the date when the restriction is imposed.

Rule 7 Admission to and duration of Active Membership

- 7.1 Applications for Active Membership shall be in such form as the Trustees determine and shall when completed be delivered or sent by post to the Trustees (or to the Employer for transmission to the Trustees) within two months of the Employees first becoming eligible.
- 7.2 Every person who is invited to join the Scheme under Rule 5 shall (unless the Trustees agree to his admission with effect from a later date) on application be admitted to Active Membership on the first day of the month next following the day he is first so invited PROVIDED THAT he has complied with any requirements as to medical evidence or other information.
- 7.3 Employees who do not join the Scheme as an Active Member when first eligible to do so or who withdraw from Active Membership under Rule 14 shall only be permitted to join or rejoin with the consent of the Employer and the Trustees which may be given or withheld at their discretion and if given their consent may be subject to any conditions (including the production of medical evidence) which the Trustees impose.

7.4

- 7.4.1 The Trustees may with the consent of the Employer treat an Active Member who is absent from Service of the Employer by reason of:

7.4.1.1 incapacity, or

7.4.1.2 service on secondment to another employer

as though he were not so absent if he can meet the requirements set out in Rule 7.4.2. and then the Active Member's retirement benefits under the Scheme will continue to accrue as though he were still in Service even if no remuneration is paid to the Active Member during his absence.

7.4.2

7.4.2.1 Where an Active Member is absent from Service under Rule 7.4.1.1 the Trustees may with the consent of the Employer treat him as though he were not so absent for any period whether or not he is receiving pay under a sick pay or permanent health insurance Scheme or directly from the Employer and regardless of whether there is a definite expectation of the Active Member's returning to Service.

7.4.2.2 Where an Active Member is absent from Service under Rule 7.4.1.2 the Trustees may with the consent of the Employer treat him as though he were not so absent for such period as they determine and notify to him in writing.

7.4.2.3 Where an Active Member is absent from service because of maternity leave, parental leave or adoption leave in accordance with the Employment Rights Act 1996 the Employer shall determine whether and how a Member or Employer shall contribute to the Scheme subject to the Social Security Act 1989, and the Employment Rights Act 1996

7.5 An Active Member shall cease to be an Active Member when he

7.5.1 reaches his Normal Retirement Date; or

7.5.2 ceases to be an Employee unless the Trustees permit him to continue as an Active Member and the Scheme's status as a Registered Pension Scheme is not prejudiced; or

7.5.3 has made a written request to the Trustees giving not less than one month's notice that his Active Membership shall cease and that notice expires.

SECTION C: CONTRIBUTIONS

Rule 8 Contributions by Active Members

8.1 Each Active Member may make contributions to the Fund at a rate agreed from time to time in writing by the Employers and the Active Member. Contributions may be reduced or suspended on a temporary or permanent basis.

- 8.2 The Employer shall deduct an Active Member's contributions from his pay and remit them to the Trustees (or as they direct) at whatever intervals they stipulate.

Rule 9 Contributions by Employers

- 9.1 Each of the Employers may make such contributions to the Fund as an Actuary shall advise as being appropriate to secure the benefits under the Scheme in respect of Members in or formerly in its Service. The Employer's contributions shall be paid to the Trustees (or as they direct) at whatever intervals they stipulate.
- 9.2 If an Active Member is temporarily absent from Service but under Rule 7 he is treated as though he were not, the Employer may with the consent of the Principal Employer during the whole or any part of his absence pay such contributions as the Employer decides. If no contributions or reduced contributions are paid during the absence and they are less than the full amount required to maintain the Active Member's level of benefits those benefits shall be reduced as the Trustees decide acting on the advice of an Actuary having regard to the amount of the shortfall.
- 9.3 Any Employer may give written notice at any time to the Trustees and the Principal Employer to suspend or reduce contributions (with power at a later date to resume payment). If so, the Trustees shall then make any modifications and adjustments to the benefits as they think fit acting on the advice of an Actuary. If the Trustees subsequently decide it is impracticable to continue the Scheme, Rule 32 shall apply.

SECTION D: RETIREMENT AND WITHDRAWAL BENEFITS

Rule 10 Retirement at Normal Retirement Date

- 10.1 On retirement from Service at Normal Retirement Date an Active Member becomes a Pensioner and his Member's Interest shall be used by the Trustees acting on the advice of an Actuary to provide him with benefits in accordance with the Letter of Announcement subject to the Revenue Appendix.

Rule 11 Retirement before Normal Retirement Date

- 11.1 An Active Member may with the consent of the Employer and the Trustees retire from Service on immediate pension at any time after he attains Minimum Pension Age and shall become a Pensioner. His Member's Interest shall be used by the Trustees acting on the advice of an Actuary to provide him with an immediate pension payable in accordance with the Letter of Announcement but subject to the Revenue s Appendix.

- 11.2 An Active Member may retire from Service on immediate pension at any time if he satisfies the Ill-Health Condition and shall become a Pensioner. The Principal Employer has power conclusively to determine whether or not the Active Member's ill-health or incapacity is such as to bring him within the definition of Ill-Health Condition in Rule 3. His Member's Interest shall be used immediately by the Trustees acting on the advice of an Actuary to provide benefits for and/or in respect of him payable in accordance with the Letter of Announcement but subject the Revenue Appendix.

Rule 12 Retirement after Normal Retirement Date

- 12.1 If a Member remains in Service at the request or with the consent of his Employer after Normal Retirement Date he may arrange with the Trustees either

12.1.1 for his Member's Interest to be applied from Normal Retirement Date as if he had retired at that date in accordance with Rule 10.1 and shall immediately become a Pensioner, or

12.1.2 to postpone the application of his Member's Interest until the date of his actual retirement from all employment (so long as such date is not later than his 75th birthday) or such earlier date as he may agree with the Trustees and shall immediately become a Postponed Pensioner, or

12.1.3 to continue, subject to the consent of the Principal Employer, as an Active Member until his actual retirement or such earlier date as he may agree with the Trustees.

Rule 13 Withdrawal from Service before Normal Retirement Date

- 13.1 If before Normal Retirement Date an Active Member leaves Service or exercises his right to leave the Scheme while remaining in employment with the Employers (or a Group Employer) and in either case has completed at least two years' Qualifying Service he shall become a Deferred Pensioner and his Member's Interest shall be applied by the Trustees acting on the advice of an Actuary at Normal Retirement Date in accordance with Rule 10.1 but subject to any revaluation of his pension in accordance with Chapter II Part IV of the 1993 Act.

13.2

13.2.1 Subject to 13.2.2 if before Normal Retirement Date an Active Member leaves Service or exercises his right to leave the Scheme while remaining in employment with an Employer (or a Group Employer) and in either case has not completed two years' Qualifying Service the Trustees may at the Active Member's

request refund to him the amount of his contributions paid under Rule 8 after deduction of any tax under Rule 28.

13.2.2 An Active Member who has completed 3 months Qualifying Service but who has not completed 2 years Qualifying Service (and in respect of whom the Scheme has not received a transfer from a Personal Pension Scheme) shall subject to the Act have the option to receive a cash equivalent transfer to be paid to another Registered Pension Scheme or Qualifying Recognised Overseas Pension Scheme.

13.2.3 As an alternative to a refund of contributions under Rule 13.2.1 an Active Member who leaves Service before Normal Retirement Date may elect to have his Member's Interest applied from his Normal Retirement Date in which case he shall become a Deferred Pensioner and Rule 13.1 shall apply.

13.3

13.3.1 A Deferred Pensioner may by giving notice to the Trustees before payment of his pension commences and subject to the consent of the Trustees elect that in lieu of all or part of the benefits payable under the Scheme a transfer be made to an Other Scheme under clause 12.

13.3.2 In lieu of a transfer to an Other Scheme the Member may elect in accordance with Section 95(2) of the Pension Schemes Act to have the cash equivalent of his accrued right to benefits applied in the purchase of an annuity or annuities from an Insurer.

13.4 Subject to the Act an Active Member in respect of whom Rule 13.2 is expressed to apply and for whom a Member's Contribution Credit is held in the Fund shall be entitled to a refund of his Member's Contribution Credit

subject to a deduction in respect of any tax under Rule 28

13.5 Where:

13.5.1 a deferred benefit is to be calculated under Rule 13.1; and

13.5.2 an additional benefit to which the Active Member is to contribute the whole or part of the cost has been granted under the Scheme but such whole or part has not been fully contributed by the date of the Active Member's withdrawal from Service (or from Active Membership as the case may be); or

13.5.3 an additional benefit to which the Active Member has not contributed has been granted under the Scheme either:

13.5.3.1 at the time Active Membership commenced, or

13.5.3.2 subsequently in respect of Service before the date of the grant or unrelated to length of Pensionable Service or the number or amount of any contributions paid,

then the deferred benefit shall (unless the Employer directs the Trustees otherwise) include only such proportion of the additional benefit as the period of the Active Member's Service since the date on which the benefit was granted bears to the period from that date until Normal Retirement Date.

13.6 Where a Deferred Pensioner:

13.6.1 has attained Minimum Pension Age , or

13.6.2 falls ill or suffers some other incapacity before attaining Normal Retirement Date in circumstances where:

13.6.2.1 if still employed by the Employer (or Group Employer) he leaves employment having satisfied the Ill-Health Condition, or

13.6.2.2 if not still in Service the Trustees decide that such illness or incapacity would have caused the Deferred Pensioner to withdraw from Service due to the Ill-Health Condition having been met had he still been in Service,

the Trustees may if the Ill-Health Condition applies offer the Deferred Pensioner the option of having his Member's Interest applied immediately to provide benefits in accordance with his Letter of Announcement subject to the Revenue Appendix.

Rule 14 Ceasing Active Membership while remaining in employment

14.1 If before Normal Retirement Date an Active Member withdraws (or is deemed to have withdrawn) from Active Membership but remains in the employment of an Employer (or Group Employer) and at the date of his withdrawal from Active Membership he has completed two years' Qualifying Service Rule 13.1 shall apply to him.

- 14.2 If before Normal Retirement Date an Active Member withdraws (or is deemed to have withdrawn) from Active Membership but remains in the employment of an Employer (or Group Employer) and at the date of his withdrawal from Active Membership he has not completed two years' Qualifying Service then:
- 14.2.1 he may elect either to take an immediate refund of his own contributions to the Scheme or, if he has completed three months' Qualifying Service, a cash equivalent transfer value, in which case Rule 13.2 shall apply, or
 - 14.2.2 if he does not elect to take an immediate refund of his own contributions then those contributions shall be held under the Scheme until the first to occur of the following:
 - 14.2.2.1 he re-enters Active Membership, in which case Rule 7.3 shall apply;
 - 14.2.2.2 he leaves Service in which case Rule 13.2 shall apply;
 - 14.2.2.3 he reaches Normal Retirement Date in which case Rule 10 shall apply and,
 - 14.2.2.4 he dies in which case Rule 24 shall apply.

SECTION E: COMMUTATION AND SURRENDER

Rule 15 Commutation for lump sum

- 15.1 Subject to the later provisions of this Rule 15, a Member who is entitled to a pension may elect to commute part of it for a lump sum (subject to the Revenue Appendix).
- 15.2 The amount of the lump sum taken under Rule 15.1:
- 15.2.1 shall not exceed the Lump Sum Permitted Maximum,
 - 15.2.2 shall be paid within three months of the date on which the Member becomes entitled to his pension, and
 - 15.2.3 shall be subject to the provisions of Rule 15.3 and to the Revenue Appendix.
- 15.3 Despite the restrictions on commutation imposed by this Rule 15, upon the application of any Member entitled to the payment of a pension who is in Serious Ill-health the Trustees may determine (subject as provided later in this Rule) to pay to him in lieu or in commutation of his benefits a lump sum (subject to a deduction in respect of income tax under Rule 28) certified as

reasonable by an Actuary and payable on the date on which his pension is due to commence.

- 15.4 Where permitted by the Revenue Appendix the Trustees may pay the cash value of any trivial pension as a Trivial Commutation Lump Sum subject to the conditions set out in paragraph 2(e) of the Revenue Appendix.

Rule 16 Partial pension surrender

- 16.1 Subject as provided in this Rule 16 a Member who becomes entitled to a pension may with the consent of the Trustees have the option of surrendering a part of his pension to provide a contingent reversionary annuity for the benefit of one or more Dependants who shall have been nominated by the Member in writing to the Trustees PROVIDED THAT:

16.1.1 the amount of the pension which may be surrendered shall not be greater than the Unsurrendered Pension; and

16.1.2 the Trustees are supplied with satisfactory information relating to the nominated Dependant.

- 16.2 The contingent reversionary annuity shall only be payable if the Member's nominated Dependant survives him and the first instalment of the annuity shall be payable on the date on which the next payment of the Unsurrendered Pension would otherwise have become payable had the Member survived. If the nominated Dependant dies after the Unsurrendered Pension has commenced the Unsurrendered Pension shall not as a result be increased.

- 16.3 The amount of the contingent reversionary annuity shall be determined by the Trustees on the advice of an Actuary having regard to the amount of the pension surrendered and the respective ages of the Member and the nominated Dependant at the date on which the Unsurrendered Pension commences.

- 16.4 Once the option under Rule 16.1 has been exercised it shall be irrevocable unless before the Member's pension is due to commence either:

16.4.1 the Trustees agree otherwise; or

16.4.2 the Member or his nominated Dependant dies, or

16.4.3 the nominated Dependant is the Member's spouse and the marriage between them is dissolved.

SECTION F: DEATH BENEFITS

Rule 17 Lump sums

- 17.1 On the death of an Active Member before commencement of his pension and before age 75, a lump sum shall be payable in accordance with the Letter of Announcement and subject to Rule 23.7. The lump sum shall be held by the Trustees upon the Death Benefit Trusts.
- 17.2 On the death of a Pensioner before age 75 or upon the Death of a Dependant before age 75 in receipt of an Unsecured Pension from the Scheme an Unsecured Pension Fund Lump Sum Death Benefit may be payable subject to deduction of tax under Rule 28. Any lump sum payable shall be held by the Trustees upon the Death Benefit Trusts.
- 17.3 On the death of a Pensioner on or after age 75 whilst in receipt of an Alternatively Secured Pension the Trustees shall subject to the Revenue Appendix pay a Charity Lump Sum Death benefit nominated by the Member (or, where it relates to a Dependant's Income Withdrawal and the Member made no nomination, by the Dependant) or a Transfer Lump Sum Death Benefit to one or more members of the Scheme nominated by the Member or, if the Member made no nomination, selected by the Administrator of the Scheme or where it relates to Dependant's Income Withdrawal to one or more Members nominated by the Member, or if the Member made no nomination, selected by the Dependant, or if neither made a nomination, selected by the Administrator of the Scheme.
- 17.4 On the death of a Deferred Member before age 75 an Uncrystallised Funds Lump Sum Death Benefit may be payable. Any lump sum payable shall be held by the Trustees upon the Death Benefit Trusts.

Rule 18 Dependants' pensions on death of an Active Member

- 18.1 On the death of an Active Member survived by a Dependant his Member's Interest may to the extent, if any, that it is not applied as a lump sum under Rule 17 be applied by the Trustees acting on the advice of an Actuary to provide a pension payable to such Dependant in accordance with the Letter of Announcement Appendix. Where there is more than one Dependant the pension may be divided between each Dependant in such proportions and upon such terms as the Trustees decide.

Rule 19 Dependants' pensions on death in Service of a Postponed Pensioner

- 19.1 On the death of a Postponed Pensioner who is survived by a Dependant his Member's Interest may, to the extent, if any, that it is not applied as a lump sum under Rule 17, be applied by the Trustees acting on the advice of an

Actuary to provide a pension payable to the Dependant in accordance with the Letter of Announcement. Where there is more than one Dependant the pension may be divided between each Dependant in such proportions and upon such terms as the Trustees decide.

Rule 20 Dependants' pensions on death of a Pensioner

- 20.1 Subject to the provisions of Rule 17.2 or 17.3 (as applicable) on the death of a Pensioner who is survived by a Dependant his Member's Interest may be applied by the Trustees acting on the advice of an Actuary to provide a pension payable to such Dependant in accordance with the Letter of Announcement. Where there is more than one Dependant the pension may be divided between each Dependant in such proportions and upon such terms as the Trustees decide.

Rule 21 Dependants' pensions on death of a Deferred Pensioner

- 21.1 If a Deferred Pensioner dies before age 75 and he is survived by a Dependant his Member's Interest may, to the extent, if any, that it is not applied as a lump sum under Rule 17.4, be applied by the Trustees acting on the advice of an Actuary to provide a pension payable to the Dependant in accordance with the Letter of Announcement. Where there is more than one Dependant the pension may be divided between each Dependant in such proportion and upon such terms as the Trustees decide.

Rule 22 Amount of Dependants' pensions

- 22.1 The amount of pension payable under Rules 18.1, 19.1, 20.1 or 21.1 shall be the aggregate of that provided by the balance of monies (if any) held in the Pensioner's Member's Interest (as determined by the Trustees acting on advice of an Actuary) and any specific pension provided under any assurance policy effected by the Trustees, subject to the Revenue Appendix.

SECTION G: PAYMENT OF BENEFITS

Rule 23 Payment of pensions and lump sum benefits

- 23.1 Any pension shall be payable by instalments at such intervals not exceeding 12 months and whether in advance or arrear as the Trustees may from time to time determine and notify to the recipient. Any pension shall be paid by bank transfer or otherwise as may be agreed with the recipient.
- 23.2 The last instalment of any pension shall be that payable on the normal payment date coinciding with or immediately preceding the date of death of the Pensioner or other recipient (and in the case of pensions paid in arrear with apportionment to the date of death) or to such earlier date as the Pensioner or other recipient ceases to qualify for benefit under the Scheme.

- 23.3 Any pension payable to a Child shall be payable for so long as he qualifies as a Child and when it ceases there shall be a consequential recalculation of the benefit payable to any other surviving Children.
- 23.4 Any pension payable to a Dependant other than a Child whether nominated or otherwise shall be payable for so long as the Trustees specify when such pension is granted.
- 23.5 The Trustees shall have power to reduce or terminate any pension payable to a Member on retirement before Normal Retirement Date on the grounds of ill-health or incapacity at any time before Normal Retirement Date if they are satisfied that he is no longer suffering from ill-health to a degree justifying its payment in whole or part. The Trustees (acting on the advice of an Actuary) may reduce the remaining benefits payable to and in respect of the Member.
- 23.6 Pensions in payment may be increased on the Scheme Date by such amount as the Trustees determine subject to the Revenue Appendix.
- 23.7 If the Trustees have taken out an insurance policy with an Insurer to meet their obligations under Rule 17.1 any benefits which would otherwise be payable under that Rule shall be payable only if and to the extent that the Trustees are able to recover payment under the terms of the insurance policy.
- 23.8 The Trustees may secure any benefit to be provided under the Scheme for or in respect of a Member by the purchase or assignment of a policy of assurance or an annuity contract from an Insurer.
- 23.9 If the Employer and Trustees agree an Active Member may commence drawing some or all of his benefits secured by his Member's Interest whilst continuing in Service subject to such terms and conditions as the Employer and Trustees may impose.

Rule 24 Death Benefit Trusts

- 24.1 A benefit which is expressed to be held upon the Death Benefit Trusts shall be held by the Trustees upon trust with power to pay or apply it within two years from the date of death to or for the benefit of or by way of settlement or otherwise to trustees for the benefit of any one or more of the Member's Beneficiaries or legal personal representatives in such shares (if more than one) and upon such trusts and in such manner as the Trustees think fit. If the benefit (or any part of it) has not been distributed within two years it shall be either retained for distribution in a separate account outside the Scheme or paid to the legal personal representatives of the Member PROVIDED THAT if the residue of the Member's estate passes as bona vacantia, then the benefit shall not be payable and shall be retained by the Trustees for better securing the solvency of the Fund.

Rule 25 Incapacity of persons entitled to benefit under the Scheme

25.1 If and for so long as a person entitled to a benefit

25.1.1 is a Child or other minor the Trustees may pay or direct the payment of the benefit to any one or more of his parents or guardians, or

25.1.2 is in the opinion (based upon proper medical evidence) of the Trustees suffering from any physical or other incapacity rendering him unable to manage his affairs or to give a proper receipt the Trustees may pay or direct the payment of the benefit to any one or more of his parents, spouse or other person legally appointed or authorised to receive it on his behalf to be applied for his benefit.

25.2 Any payment made under Rule 25.1 shall operate as a complete discharge to the Trustees and they shall not be under any liability to enquire into its application.

25.3 As an alternative or in addition to their powers under Rule 25.1 the Trustees may declare trusts in respect of any benefit payable or any part of it. The trusts may include such terms and limitations and such provisions for maintenance, education or advancement or for accumulation of any income during a minority and such discretionary trusts and powers as the Trustees may decide. The trusts shall be established by deed and may be revocable or irrevocable but without infringing any rule against perpetuities. Any trusts so declared shall be constituted and administered separately from the trusts of the Scheme and the Trustees shall have power to appoint as trustees of such benefit or part of it any two persons or a corporate trustee (whether or not a trust corporation). The cost of establishing and administering the trust shall be borne by that trust and not by the Fund or the Employers.

Rule 26 Unclaimed benefits

26.1 If any pension or benefit or any instalment remains unpaid to and unclaimed by the person to whom it is payable for a period of six years from the date it became payable then the entitlement to it shall be extinguished and it shall be retained by the Trustees in the Fund for better securing the solvency of the Fund.

SECTION H: MEMBERS AND THE TRUST

Rule 27 Notices

27.1 Notices to the Trustees shall be addressed to them at the registered office of the Principal Employer.

- 27.2 Notices shall be in writing which shall include delivery by facsimile machine or by electronic mail.
- 27.3 Upon production of proof of posting notices served by post shall be deemed to be received 48 hours after they were posted.

Rule 28 Taxation

- 28.1 Without prejudice to any provisions contained in the Rules the Trustees shall be entitled to deduct from any payment made to any person or body a sum equal to any tax to which the Trustees may become liable as a result of the payment and shall remit the tax to the appropriate office of the Inland Revenue.
- 28.2 Where liability for payment of tax is on a joint and several basis, the Administrator shall be deemed (as between it and the Member) to have discharged its obligations to meet that liability where it has acted in reliance on information provided in a Member's signed declaration or otherwise where it has acted in "good faith" as set out in Sections 267-269 (inclusive) of the Act.
- 28.3 If the Member has provided incomplete or incorrect information within the declaration, liability for any additional charge or tax or any unpaid tax will be deemed to fall solely on the Member and the Administrator shall be entitled to recover from the Member's benefits under the Scheme any charges or tax raised on it by the Revenue. To the extent that the Administrator is unable to recover such tax or charges from the Member's benefits under the Scheme the Member shall be personally liable to reimburse the Administrator.

Rule 29 Right to information

- 29.1 Every Member shall be entitled upon giving reasonable notice to the Trustees to inspect a copy of the Definitive Deed, Rules and Revenue Appendix (and of any insurance policies currently in force in relation to benefits under the Scheme) and is entitled to such other rights to information as are provided under the general principles of trust law and the Disclosure Regulations.

Rule 30 Assignment, divorce, forfeiture and suspension

- 30.1 Subject to Rules 15 and 16 no pension shall be capable of being assigned or surrendered.
- 30.2 The Trustees may withhold payment of any benefit if the recipient or prospective recipient
- 30.2.1 attempts to assign, charge or alienate it; or

- 30.2.2 (subject to Rules 15 and 16) does anything or suffers any circumstance by which it or part of it would become payable to another person.
- 30.3 If all or part of a benefit has been withheld under Rule 30.2 the Trustees may apply all or any part of it for the support and maintenance of the recipient or prospective recipient PROVIDED THAT no payment shall be made to any purported assignee.
- 30.4 The Scheme shall comply with all applicable legislation from time to time in force in respect of pension sharing on either divorce or on dissolution of a civil partnership (the "Pension Sharing Rules"). The Pension Sharing Rules are overriding and shall be applied by the Trustees in accordance with their policy statement (as may from time to time be revised). To the extent that the Rules of the Scheme contradict or are otherwise contrary to the Pension Sharing Rules, the Pension Sharing Rules shall apply.
- 30.5 The Trustees may decide any benefit payable or prospectively payable shall be forfeited or cease to be payable if the recipient or prospective recipient has been convicted of:
- 30.5.1 an offence of treason, or
- 30.5.2 one or more offences under the Official Secrets Acts 1911 to 1939 for which he has been sentenced to a term of imprisonment of at least ten years.
- 30.6 The Trustees may suspend payment of any benefit payable or prospectively payable during any period when the recipient or prospective recipient:
- 30.6.1 is in their opinion unable to act by reason of mental disorder or otherwise; or
- 30.6.2 is in prison or detained in legal custody.

Rule 31 Employment, set-off and forfeiture of Member's debt to an Employer

- 31.1 Nothing in the Definitive Deed, Rules and Revenue Appendix shall in any way restrict the right of the Employers to dismiss any employee.
- 31.2 No person whether or not a Member shall have any claim, right or interest in respect of the Fund except under the Definitive Deed, Rules and Revenue Appendix.
- 31.3 If a Member ceases to be in Service because of the termination of his employment by his Employer (which does not constitute a wrongful or unfair dismissal) the resulting cessation of his Active Membership shall not be a

ground for any damages or any increase in damages in any action brought against the Employer in respect of that termination.

31.4 If a Member owes any money to the Employers arising out of any criminal, negligent or fraudulent act or omission on his part the Employers shall be entitled to claim from the Trustees an amount equal to it and the Trustees upon proof of the amount shall procure the payment of the claim out of any monies due from the Fund to the Member so far as they are sufficient and any benefits of the Member shall be reduced accordingly PROVIDED ALWAYS THAT the Employers shall have no such right in respect of monies derived from a transfer to the Fund from an Other Scheme.

31.5 In any case referred to in Rule 31.4 the Trustees shall certify to the Member the amount recovered and its effect upon his benefits and where any such claim is made against monies due from the Fund:

31.5.1 the Member may agree in writing with the Trustees to an alternative method of recovery, and

31.5.2 If there is a dispute as to the amount due the Employers shall not be entitled to exercise their right of recovery until the debt in question has become enforceable under a court order, or the award of an arbitrator (or in Scotland an arbiter) and payment of benefits may be postponed until it has become clear whether the debt is enforceable or not.

SECTION I: WINDING UP AND DISSOLUTION

Rule 32 Winding up and dissolution

32.1 If:

32.1.1 the Principal Employer enters into insolvency covered by clause 19 or if its undertaking is acquired by or (vested in) any body corporate and at that time there is in either case no agreement under clause 20.1. and the Trustees consider that there is no reasonable expectation of such an agreement, or

32.1.2 the Employers terminate their liability to pay contributions and their other future liabilities under the Scheme,

the Trustees acting unanimously shall determine the Scheme and wind up the Fund unless they decide to continue to administer the Scheme as a paid-up Scheme upon such terms and for such period as they think fit having considered the advice of the Actuary.

- 32.2 The Scheme shall be determined, the Fund shall be wound up and the trusts of the Scheme shall cease immediately upon:
- 32.2.1 the Trustees exercising the power to wind up the Scheme conferred on them in certain events by Rule 32.1,
 - 32.2.2 the Trustees unanimously resolving to determine the Scheme at any time after it would have been determined under Rule 32.1 but for a resolution by the Trustees that such determination shall be deferred.
- 32.3 As soon as is practicable or desirable after the Dissolution Date the Fund shall be converted into money except for investments in annuities or deferred annuities which the Trustees may have power to retain for distribution as provided later in this Rule 32.
- 32.4 The proceeds of the conversion shall be applied where appropriate subject to the limits in the Revenue Appendix in the following order:
- 32.4.1 in applying AVC Interests in securing AVC Benefits,
 - 32.4.2 in paying the reasonable fees and expenses of an Independent Trustee appointed under Section 23 of the Pensions Act for acting in that capacity,
 - 32.4.3 in discharging the costs, charges and expenses of and incidental to the conversion and application of the Fund including the remuneration of professional advisers,
 - 32.4.4 in securing pensions:
 - 32.4.4.1 already in payment at the Dissolution Date excluding increases in pension which have not been implemented or which were not required by the Rules to be implemented before the Dissolution Date
 - 32.4.4.2 prospectively payable to Postponed Pensioners
 - 32.4.4.3 contingent on the death of each Postponed Pensioner
 - 32.4.5 in securing (insofar as they have not already done so) in respect of each Active Member on the Dissolution Date the benefits to which he and his Dependants would have been entitled had he withdrawn from Service on the Dissolution Date and in respect of each Deferred Pensioner the benefits to which he and his Dependants were entitled on the Dissolution Date.

- 32.4.6 In securing pension increases in pensions payable under Rule 23.6 which have not been implemented at the Dissolution Date or which were not required by that Rule to be implemented before the Dissolution Date.
- 32.5 The amount allocated to each Member shall be applied to purchase a non-assignable (save as provided below) non-commutable annuity on his life from an Insurer selected by the Trustees. The annuity shall in the case of recipients of existing pensions and Postponed Pensioners be an immediate annuity. In the case of Active Members and Deferred Pensioners it shall be a deferred annuity (with provision if the Trustees determine for payment of a capital sum on death before reaching Normal Retirement Date) commencing not earlier than the date on which the pension would have become payable had the Scheme continued. Any annuity payable to an Active Member or Deferred Pensioner shall be commutable to the same extent and on the same terms and conditions as apply under Rule 15 but not earlier than the date upon which commutation could have taken place under that Rule had the Scheme continued, unless commutation is because the benefit is of Trivial Amount. The determination of the Trustees as regards the application of the Fund shall be absolute and final and every Member or other recipient shall accept the amount of his benefit in respect of him in full discharge of all claims against the Fund or the Scheme and shall have no further claim whatsoever.
- 32.6 If after application of the Fund there remains any surplus the Trustees acting unanimously may (subject to the Revenue Appendix) if directed by the Principal Employer (or if clause 19 applies at the Trustees' sole discretion) apply the whole or any part or parts of the surplus in increasing the pensions or annuities required to be secured and/or granting new or additional benefits as the Trustees acting on the advice of an Actuary may consider fair. Any balance then remaining in the hands of the Trustees shall be paid to the Employers in such proportions after deduction of any tax under Rule 28 as the Trustees shall consider just and equitable.
- 32.7 All or any of the benefits required to be secured may if the Trustees determine be secured by transferring appropriate available assets to an Other Scheme.
- 32.8 If the assets of the Fund include annuity contracts or annuity policies effected in the names of the Trustees or their nominees with any Insurer the Trustees shall either:
- 32.8.1 enter into an arrangement with the Insurer to transfer or secure them in trust for the person or persons entitled to benefit under them, or
- 32.8.2 assign them to an Other Scheme.

32.9 If an Associated Employer either:

32.9.1 terminates its liability to pay contributions, or

32.9.2 ceases to satisfy the definition of Associated Employer;

the Trustees shall, unless they decide unanimously to treat the relevant part of the Scheme as being paid-up, ensure that the Scheme shall be wound up in relation to Active Members who are in the Service of that Associated Employer and who are not to be transferred to Service with another of the Employers and the Scheme may be wound up in relation to Pensioners and Deferred Pensioners of the Associated Employer. That part of the Fund which the Trustees shall on the advice of an Actuary determine to be appropriate having regard to the rights and prospective rights of all the Members shall then be dissolved. In respect of any dissolution of a part of the Fund the relevant provisions of Rule 32.4 shall apply.

REVENUE APPENDIX

This appendix does not provide any entitlement to rights or benefits under the Scheme in addition to those set out in the Rules. For the avoidance of doubt, this appendix provides the tax regime to which the benefits under this Scheme are subject. As such, none of the benefits under the Rules shall be paid or administered in such a way as to breach any of the provisions of this appendix and so prejudice the Scheme's status as a Registered Pension Scheme.

A. AUTHORISED MEMBER PAYMENTS

1. Payment of pensions

Notwithstanding anything to the contrary in the Scheme provisions, and subject to the Transitional Provisions in paragraphs 21 to 26, the payment of such pension as is permitted by the Rules of the Scheme shall comply with the following:

- (a) No payment of pension may be made before the day on which the Member reaches Normal Minimum Pension Age, unless the Ill-Health Condition was met immediately before the Member became entitled to a pension under the Scheme.
- (b) If the Member dies before the end of the period of ten years beginning on the day on which the Member became entitled to a Scheme Pension, an annuity or Alternatively Secured Pension, payment of the Scheme Pension, annuity or Alternatively Secured Pension may continue to be made (to any person) until the end of that period. But no other payment of the Member's pension may be made after the Member's death.
- (c) If a Member has not reached the age of 75, no payment of pension other than a Scheme Pension, a Lifetime Annuity or an Unsecured Pension, may be made in respect of a Money Purchase Arrangement; but a Scheme Pension may only be paid if the Member had an opportunity to select a Lifetime Annuity instead.
- (d) The total amount of Unsecured Pension in each Unsecured Pension Year in respect of the Money Purchase Arrangement must not exceed 120% of the Basis Amount for the Unsecured Pension Year.
- (e) If the Member has reached the age of 75, no payment of pension other than a Scheme Pension, a Lifetime Annuity or an Alternatively Secured Pension may be made in respect of a Money Purchase Arrangement; but a Scheme Pension may only be paid if the Member had an opportunity to select a Lifetime Annuity instead.
- (f) The total amount of Alternatively Secured Pension paid in each Alternatively Secured Pension Year in respect of a Money Purchase Arrangement must not exceed 70% of the Basis Amount for the Alternatively Secured Pension Year.

2. Lump sums

Notwithstanding anything to the contrary in the Scheme provisions, and subject to the Transitional Provisions in paragraphs 21 to 26, the payment of such lump sum as is permitted by the Rules of the Scheme shall comply with the following:

- (a) **Pension Commencement Lump Sum** which shall be a lump sum not exceeding the Lump Sum Permitted Maximum to which the Member becomes entitled in connection with becoming entitled to Income Withdrawal, a Lifetime Annuity or a Scheme Pension, and which shall be paid when all or part of the Member's Lifetime Allowance is available, when the Member has reached Normal Minimum Pension Age (or the Ill-Health Condition is satisfied) but is aged less than 75 and within three months from the day on which the Member becomes entitled to it provided that the Member has made a written election to that effect.
- (b) **Serious Ill-Health Lump Sum** which shall be a lump sum extinguishing the Member's entitlement to benefits under the Scheme and which is paid when all or part of the Member's Lifetime Allowance is available, the Member is aged less than 75, and there has been no previous Benefit Crystallisation Event in respect of the Member PROVIDED THAT the Administrator has received evidence from a registered medical practitioner that the Member is expected to live for less than one year.
- (c) **Short Service Refund Lump Sum** which shall be a lump sum extinguishing the Member's entitlement to benefits under the Scheme and which is paid when the Member is aged less than 75, there has been no previous Benefit Crystallisation Event in respect of the Member, and when the Member's Pensionable Service is terminated before Normal Retirement Date but without being entitled to short service benefit (pursuant to section 71 of the 1993 Act) PROVIDED THAT the lump sum does not exceed an amount equal to the aggregate of the Member's contributions under the Scheme.
- (d) **Refund of Excess Contributions Lump Sum** which shall be a lump sum payable not exceeding the amount by which contributions by or on behalf of the Member under the Scheme in respect of a tax year exceed the maximum amount of tax relief to which the Member is entitled in that tax year under section 190 of the Act PROVIDED THAT such lump sum shall be paid to the Member before the expiry of 6 years from the end of the relevant tax year.
- (e) **Trivial Commutation Lump Sum** which shall be a lump sum extinguishing the Member's entitlement to benefits under the Scheme, which is paid when all or part of the Member's Lifetime Allowance is available, the Member has reached age 60 but not 75, and when no Trivial Commutation Lump Sum has previously been paid to the Member by any Registered Pension Scheme or, if such a lump sum has previously been paid, within 12 months after the day on which a Trivial Commutation Lump Sum is first paid; PROVIDED THAT the lump sum shall not exceed 1% of the Lifetime Allowance at that time.
- (f) **Winding-up Lump Sum** which shall be a lump sum extinguishing the Member's entitlement to benefits under the Scheme and which is paid when all or part of the Member's Lifetime Allowance is available, the Member is aged less than 75, and the Scheme is being wound-up PROVIDED THAT the lump sum does not exceed 1% of the Lifetime Allowance and the Employer (i) has made contributions under the Scheme in respect of the Member; (ii) is not making contributions under any other Registered Pension Scheme in respect of the Member; and (iii) undertakes to the Revenue not to make such contributions

during the period of one year beginning with the day on which the lump sum is paid.

- (g) **Lifetime Allowance Excess Lump Sum** which shall be a lump sum payable when none of the Member's Lifetime Allowance is available, the Member has reached Normal Minimum Pension Age (or the Ill-Health Condition is met) and the Member has not reached age 75; PROVIDED THAT it is not a Short Service Refund Lump Sum or a Refund of Excess Contributions Lump Sum and it does not reduce the rate of payment of any pension to which the Member has become entitled or extinguish the Member's entitlement to payment of any such pension.

3. **Death benefits**

- (a) Notwithstanding anything to the contrary in the Scheme provisions, and subject to the Transitional Provisions in paragraphs 21 to 26, the payment of any pension on the death of a Member (a "pension death benefit") as is permitted by the Rules of the Scheme shall comply with the following:
 - (i) No pension death benefit may be made otherwise than to a Dependant of the Member.
 - (ii) If a Dependant has not reached the age of 75, no pension death benefit is payable under a Money Purchase Arrangement other than a Dependant's Scheme Pension, a Dependant's Annuity or a Dependant's Unsecured Pension PROVIDED THAT a Dependant's Scheme Pension may only be paid if the Member or Dependant had an opportunity to select a Dependant's Annuity instead.
 - (iii) The total amount of Dependant's Unsecured Pension paid to a Dependant in each Unsecured Pension Year in respect of a Money Purchase Arrangement must not exceed 120% of the Basis Amount for the Unsecured Pension Year.
 - (iv) If a Dependant has reached the age of 75, no payment of a pension other than a Dependant's Scheme Pension, a Dependant's Annuity or a Dependant's Alternatively Secured Pension may be made to the Dependant in respect of a Money Purchase Arrangement PROVIDED THAT a Dependant's Scheme Pension may only be paid if the Member or Dependant had an opportunity to select a Dependant's Annuity instead.
 - (v) The total amount of Dependant's Alternatively Secured Pension paid to a Dependant in each Alternatively Secured Pension Year in respect of a Money Purchase Arrangement must not exceed 70% of the Basis Amount for the Alternatively Secured Pension Year.
- (b) Notwithstanding anything to the contrary in the Scheme provisions, and subject to the Transitional Provisions in paragraphs 21 and 26, no lump sum shall be payable on the death of a Member under the Scheme other than any of the following (together referred to as "death benefit lump sums"):
 - (i) **Defined Benefits Lump Sum Death Benefit** which shall be a lump sum payable in respect of a Defined Benefits Arrangement as defined in the Act which is paid before the end of 2 years beginning with the day on which the Member died, and which is not a Pension Protection, Trivial Commutation or Winding-up Lump Sum Death Benefit PROVIDED THAT the Member must not have reached the age of 75 at the date of his death.

- (ii) **Uncrystallised Funds Lump Sum Death Benefit** which shall be a lump sum payable in respect of a Money Purchase Arrangement, which is paid before the end of 2 years beginning with the day on which the Member died and is paid in respect of such of the sums and assets held for the purposes of the Money Purchase Arrangement at the Member's death as had not been applied for purchasing a Scheme Pension, Lifetime Annuity, a Dependant's Scheme Pension or a Dependant's Lifetime Annuity and had not been designated as available for the payment of an Unsecured Pension PROVIDED THAT the Member must not have reached the age of 75 at the date of his death.
- (iii) **Annuity Protection Lump Sum Death Benefit** which shall be a lump sum payable in respect of a Scheme Pension or Lifetime Annuity to which the Member was entitled at the date of his death under a Money Purchase Arrangement PROVIDED THAT the Member must not have reached the age of 75 at the date of his death and the amount of the lump sum does not exceed the Annuity Protection Limit.
- (iv) **Unsecured Pension Fund Lump Sum Death Benefit** which shall be a lump sum payable (i) in respect of Income Withdrawal to which the Member was entitled at the date of his death PROVIDED THAT the Member must not have reached the age of 75 at the date of his death; and/or (ii) on the death of a Dependant of the Member, in respect of the Dependant's Income Withdrawal to which he was entitled at the date of his death in respect of the Member PROVIDED THAT the Dependant must not have reached the age of 75 at the date of his death and FURTHER PROVIDED THAT in both cases the lump sum shall not exceed the aggregate of the amount of the sums and the market value of the assets representing the Member's or the Dependant's Unsecured Pension Fund in respect of the Scheme immediately before the payment is made.
- (v) **Charity Lump Sum Death Benefit** which shall be a lump sum payable (i) in respect of Income Withdrawal to which the Member was entitled at the date of his death and which is paid to a charity nominated by the Member PROVIDED THAT the Member had reached the age of 75 at the date of his death and there are no Dependents of the Member; and/or (ii) in respect of Dependents' Income Withdrawal to which the Dependant was entitled at the date of his death in respect of the Member and which is paid on the death of a Dependant of the Member to a charity nominated by the Member (or Dependant if nomination is made by the Member) PROVIDED THAT the Member had reached the age of 75 at the date of his death and there are no other Dependents of the Member, and FURTHER PROVIDED THAT in both cases the lump sum shall not exceed the aggregate of the amount of the sums and the market value of the assets representing the Member's or the Dependant's Alternatively Secured Pension Fund in respect of the Scheme immediately before the payment is made.
- (vi) **Transfer Lump Sum Death Benefit** which shall be a lump sum payable (i) in respect of Income Withdrawal to which the Member was entitled at the date of his death and which is paid so as to become held for the purposes of or to represent accrued rights under the Scheme relating to one or more Members of the Scheme nominated by the deceased Member (or if the Member made no nomination, selected by the Administrator) PROVIDED THAT the Member had reached the age of 75 at the date of his death and there are no Dependents of the Member, or (ii) in respect of a Dependant's Income Withdrawal to which the Dependant was entitled at the date of his death and which is paid so as to become held for the

purposes of or to represent accrued rights under the Scheme relating to one or more Members of the Scheme nominated by the deceased Member (or if the Member made no nomination, selected by the Dependant, or if neither made a nomination, the Administrator) PROVIDED THAT the Dependant had reached the age of 75 at the date of his death and there are no Dependents of the Member and FURTHER PROVIDED THAT in both cases the lump sum shall not exceed the aggregate of the amount of the sums and the market value of the assets representing the Member's or the Dependant's Alternatively Secured Pension Fund in respect of the Scheme immediately before the payment is made.

- (vii) **Trivial Commutation Lump Sum Death Benefit** which shall be a lump sum payable to a Dependant entitled to pension death benefit under the Scheme in respect of a Member, who had not reached the age of 75 at the date of his death, extinguishing the Dependant's entitlement under the Scheme to pension death benefit and death benefit lump sum in respect of that Member, and which is paid before the day on which the Member would have reached the age of 75 PROVIDED THAT the lump sum shall not exceed 1% of the Lifetime Allowance at that time.
- (viii) **Winding-up Lump Sum Death Benefit** which shall be a lump sum payable to a Dependant entitled to pension death benefit under the Scheme in respect of a Member extinguishing the Dependant's entitlement under the Scheme to pension death benefit and lump sum death benefit in respect of that Member PROVIDED THAT the lump sum shall not exceed 1% of the Lifetime Allowance at that time.

4. **Scheme Administration Member Payments**

The Scheme may make payment(s) to or in respect of a Member for the purposes of the administration or management of the Scheme, including the payment of wages, salaries or fees to persons engaged in administering the Scheme and payments made for the purchase of assets to be held for the purposes of the Scheme PROVIDED THAT such payment(s) does not exceed the amount which might be expected to be paid on an arm's length basis.

B. UNAUTHORISED MEMBER PAYMENTS

5. It is not intended that the Scheme shall permit the payment of any "unauthorised member payments", as set out in paragraphs 6 to 11 of this Appendix. However, if an "unauthorised member payment" is paid, a charge to income tax as provided for in the Act shall be payable by the Member to or in respect of whom the payment is made, or such other recipient of an unauthorised member payment which is made after a Member's death.

6. Assignment

- (a) Unless made pursuant to a Pension Sharing Order or provision, there will be an unauthorised member payment if a Member of the Scheme assigns or agrees to assign any benefit to which the Member or any Dependant of the Member has an actual or prospective entitlement under the Scheme or any right in respect of any sums or assets held for the purposes of any arrangement under the Scheme.
- (b) There will also be an unauthorised member payment if a person (or such person's personal representatives) assigns or agrees to assign, other than pursuant to a Pension Sharing Order or provision, any benefit to which the person has an actual or prospective entitlement under the Scheme in respect of a Member of the Scheme, or any right in respect of any sums or assets held for the purposes of any arrangement relating to the Member under the Scheme.
- (c) The amount of such unauthorised member payment is the greater of (i) the consideration received in respect of the assignment or agreement; and (ii) the consideration which might be expected to be received in respect of the assignment or agreement if the parties to the transaction were at arm's length and any power to reduce the entitlement to the benefit or right did not exist.
- (d) Any pension or part thereof which may continue to be paid after the Member's death in accordance with paragraph 1(b) above shall not be an unauthorised member payment for these purposes.

7. Surrender

- (a) Unless otherwise provided, there will be an unauthorised member payment if a Member of the Scheme surrenders or agrees to surrender any benefit to which the Member or any Dependant of the Member has an actual or prospective entitlement under the Scheme or any right in respect of any sums or assets held for the purposes of any arrangement under the Scheme.
- (b) Unless otherwise provided, there will also be an unauthorised member payment if a person surrenders or agrees to surrender any benefit to which the person has an actual or prospective entitlement under the Scheme in respect of a Member of the Scheme, or any right in respect of any sums or assets held for the purposes of any arrangement relating to the Member under the Scheme.
- (c) The amount of such unauthorised member payment is the consideration that might be expected to be received if what is surrendered were assigned by a transaction between parties at arm's length and any power to reduce the entitlement to the benefit or right did not exist.
- (d) There will be no unauthorised member payment in any of the circumstances specified in Section 172A of the Act as not constituting an unauthorised member payment, which shall include any pension or part thereof which may continue to be paid after the Member's death in accordance with paragraph 1(b) above.

8. Increase in rights of a connected person on death of a Member

- (a) There will be an unauthorised member payment if at any time after the death of a Member who had a prospective entitlement under the Scheme, or rights representing his Unsecured Pension Fund, Alternatively Secured Pension Fund, Dependant's Unsecured Pension Fund or Dependant's Alternatively Secured Pension Fund, there is an increase in the pension rights of another Member who was a Connected Person of the deceased Member immediately before his death and such increase is attributable to the Member's death.
- (b) There shall be an increase in the pension rights of such other Member which is attributable to death if in consequence of the death the consideration which might be expected to be received in respect of an assignment of the benefits to which he is actually or prospectively entitled under the Scheme at that time exceeds the consideration which might be expected to be received in respect of such assignment immediately before that time.
- (c) The amount of the unauthorised member payment shall be the amount of the excess calculated in paragraph 8(b) above PROVIDED THAT such amount shall be reduced by so much as arises from the payment of any Transfer Lump Sum Death Benefit in respect of the dead Member, from the Member becoming entitled to pension death benefits or death benefit lump sums in respect of the dead Member or in any manner otherwise prescribed by the Revenue.
- (d) These provisions shall not apply if:
 - (i) at the time of the increase referred to in paragraph 8 (a) above there are at least 20 Members of the Scheme and the benefits to which each of them is actually or prospectively entitled under the Scheme are increased at the same rate in consequence of the death of the deceased Member; or
 - (ii) the increase in pension rights is brought about by an assignment (or agreement to assign) within Section 172 of the Act.

9. Allocation of unallocated Employer contributions

- (a) There will be an unauthorised member payment if a Member and the Employer, or any person connected with the Employer, are Connected Persons at any time during the Tax Year, and an amount of the contributions paid under the Scheme by an Employer otherwise than in respect of an individual which become held for the purpose of the provision of benefits to or in respect of a Member under a Money Purchase Arrangement exceed the maximum amount of tax relief to which the Member is entitled under the Act in respect of his contributions during the Tax Year, less the amount of any contributions paid by employers under any Registered Pension Scheme in respect of the Member for that Tax Year.
- (b) The amount of the unauthorised payment shall be the amount of the excess referred to in paragraph 9(a) above.

10. Benefits

Unless otherwise excluded pursuant to the Act, there will be an unauthorised member payment if (a) an asset held for the purposes of the Scheme is used to provide a benefit (other than a payment) to a Member or a member of the Member's family or household (as defined in Section 721 of ITEPA), or (b) after a Member's death, an asset held for the purposes of the Scheme is used to provide

a benefit (other than a payment) to a person who at the date of the Member's death was a member of the Member's family or household.

11. **Value shifting**

There will be an unauthorised member payment if any of the following events would cause either (a) the value of an asset held for the purposes of the Scheme to be reduced or a liability of the Scheme to be increased, and (b) the value of an asset held by or for the benefit of a Member to be increased, a liability of a Member to be reduced or the liability of another person to be reduced for the benefit of a Member:

- (i) the creation, alteration, release or extinction of any power, right, option or liability relating to assets held for the purposes of the Scheme (whether or not provided for in the terms on which the asset is acquired or held),
- (ii) the creation, alteration, release or extinction of any power, right or option relating to a liability of the Scheme (whether or not provided for in the terms on which the liability is incurred),
- (iii) the exercise of, or failure to exercise, any power, right or option in relation to assets held for the purposes of the Scheme or a liability of the Scheme, or
- (iv) the exercise of, or failure to exercise, any power, right or option which constitutes an asset held for the purposes of the Scheme,

in a way which differs from that which might be expected if the parties to the transaction were at arm's length.

C. **AUTHORISED EMPLOYER PAYMENTS**

12. **Authorised Employer Payments**

Where permitted by the Rules of the Scheme, only the following payments may be made to or in respect of an Employer:

- (a) **Authorised Surplus Payments** which shall be prescribed by such Regulations as are issued under the Act from time to time;
- (b) **Compensation Payments** which shall be any payment(s) made in respect of a Member's liability to an Employer in respect of a criminal, fraudulent or negligent act or omission by the Member;
- (c) **Authorised Employer Loans** are loans made in respect of an Employer which must:
 - (i) not exceed an amount equal to 50% of the aggregate of the amount of the sums and the market value of the assets held for the purposes of the Scheme immediately before the loan is made;
 - (ii) be secured by a charge which is of adequate value;
 - (iii) be repaid at a rate of interest not less than the rate prescribed by regulations made by the Revenue;

- (iv) have a repayment date before the end of five years from the date on which the loan is made (subject to being able to be postponed for a period of up to five years on one occasion only); and
- (v) the amount payable in each period of 12 months beginning with the date on which the loan is made shall be not less than:

$$((L + TIP) / TLY) \times NLY$$

where,

L is the amount of the loan;

TIP is the total interest payable on the loan;

TLY is the total number of loan years; and

NLY is the number of loan years in the period.

If the amount of the loan is increased, the amount of the increase is to be treated as a loan made on the date of the increase.

- (d) **Scheme Administration Employer Payments** which shall be payments by the Scheme to or in respect of an Employer for the purposes of the administration or management of the Scheme, including the payment of wages, salaries or fees to persons engaged in administering the Scheme and payments made for the purchase of assets to be held for the purposes of the Scheme PROVIDED THAT such payment(s) does not exceed the amount which might be expected to be paid on an arm's length basis.

Scheme Administration Employer Payments shall not include (i) a loan to or in respect of an Employer; or (ii) payments made to acquire shares in an Employer if, when the payment is made, the market value of shares in the Employer held for the purposes of the Scheme is equal to or greater than 5%, or the total market value of shares in Employers held for the purposes of the Scheme is equal to or greater than 20%, of the aggregate of the amount of the sums and the market value of the assets held for the purposes of the Scheme.

Regulations issued by the Revenue under the Act may provide that prescribed payments are or are not Scheme Administration Employer Payments.

D. UNAUTHORISED EMPLOYER PAYMENTS

- 13. If any of the "unauthorised employer payments", as set out in paragraphs 14 to 15 of this Appendix, are paid, a charge to income tax as provided for in the Act shall be payable by the Employer to or in respect of whom the payment is made.

14. Value Shifting

The Scheme shall not make any payment to an Employer if any of the following events would cause either (a) the value of an asset held for the purposes of the Scheme to be reduced or a liability of the Scheme to be increased, and (b) the value of an asset held by or for the benefit of the Employer to be increased, a liability of an Employer to be reduced or the liability of another person to be reduced for the benefit of an Employer:

- (i) the creation, alteration, release or extinction of any power, right, option or liability relating to assets held for the purposes of the Scheme (whether or not provided for in the terms on which the asset is acquired or held),
- (ii) the creation, alteration, release or extinction of any power, right or option relating to a liability of the Scheme (whether or not provided for in the terms on which the liability is incurred),
- (iii) the exercise of, or failure to exercise, any power, right or option in relation to assets held for the purposes of the Scheme or a liability of the Scheme, or
- (iv) the exercise of, or failure to exercise, any power, right or option which constitutes an asset held for the purposes of the Scheme,

in a way which differs from that which might be expected if the parties to the transaction were at arm's length.

15. **Borrowing**

- (a) Registered Pension Schemes shall not borrow an amount in respect of a Money Purchase Arrangement unless such borrowing complies with the following:

$$(APB + PB) < (VA / 2)$$

where,

APB is the aggregate of the amounts previously borrowed in respect of the arrangement (excluding any amounts which have been repaid);

PB is the amount proposed to be borrowed in respect of the arrangement; and

VA is the value of the arrangement as defined in Section 182 of the Act.

- (b) Registered Pension Schemes shall not borrow an amount in respect of any other arrangement that is not a Money Purchase Arrangement unless such borrowing complies with the following:

$$(APB + PB) < (AARA / 2)$$

where

APB is the aggregate of the amounts previously borrowed in respect of the arrangements which are not Money Purchase Arrangements (excluding any amounts which have been repaid);

PB is the amount proposed to be borrowed by the Scheme; and

AARA is the aggregate amount of the amount of sums and market value of the assets held for the purposes of such of the arrangements under the Scheme as are not Money Purchase Arrangements.

E. CONTRIBUTIONS

16. Annual Allowance

Each Member will be solely responsible for determining whether or not a tax charge arises in connection with the Annual Allowance relating to a Tax Year during which he is a Member of the Scheme. Each Member will be liable to a tax charge at such rate as is provided by the Act on the amount by which his Total Pension Input Amount for a Tax Year exceeds the Annual Allowance for that Tax Year.

17. Subject to paragraph 18 below, the Pension Input Amount is calculated in accordance with Section 233 of the Act in the following manner:

In a Money Purchase Arrangement: the total of (i) all Relevant Contributions; and (ii) any contributions paid under the Scheme by an Employer otherwise than in respect of the Member which become held under the Scheme for the purposes of providing benefits to or in respect of the Member, during the Pension Input Period.

18. There shall be no Pension Input Amount if, before the end of the Tax Year, the Member has either become entitled to all the benefits which may be provided to him under the Scheme or has died.

F. THE LIFETIME ALLOWANCE

19. Lifetime Allowance

- (a) The Member and Administrator shall (subject to the "good faith" provisions in the Act be jointly and severally liable to a tax charge (the "Lifetime Allowance Charge") at such rate as is provided by the Act if on the occurrence of a Benefit Crystallisation Event either (a) the amount crystallised by that event exceeds the amount of the Member's Lifetime Allowance which is available at that time, or (b) none of the Member's Lifetime Allowance is available.
- (b) There shall be a Benefit Crystallisation Event only on the occurrence of one of the following events and in each case the amount of the Member's rights specified shall be crystallised for the purposes of determining whether the Member's Lifetime Allowance is exceeded:

	<i>Benefit Crystallisation Event</i>	<i>Amount Crystallised</i>
1.	The designation of sums or assets held for the purposes of a Money Purchase Arrangement under any Registered Pension Scheme as available for the payment of Unsecured Pension to the Member.	The aggregate of the amount of the sums and the market value of the assets designated.
2.	The Member becoming entitled to a Scheme Pension under any Registered Pension Scheme of which he is a member.	$RVF \times P$
3.	The Member, having become so entitled under (2) above, becoming entitled to payment of a Scheme Pension at an increased annual rate which exceeds by more than the Permitted Margin the rate at which it was payable on the day on which the Member became entitled to it.	$RVF \times XP$
4.	The Member becoming entitled to a Lifetime Annuity purchased under a Money Purchase Arrangement under any Registered Pension Scheme of which he is a member.	The aggregate of the amount of such of the sums, and the market value of such of the assets, representing the individual's rights under the arrangement as are applied to purchase the Lifetime Annuity and any related Dependant's annuity.
5.	The Member reaching the age of 75 when prospectively entitled to a Scheme Pension or a lump sum (or both) under	$(RVF \times DP) + DSLS$

	<i>Benefit Crystallisation Event</i>	<i>Amount Crystallised</i>
	any Registered Pension Scheme of which he is a member.	
6.	The Member becoming entitled to a Pension Commencement Lump Sum, Serious Ill-Health Lump Sum, Lifetime Allowance Excess Lump Sum under any Registered Pension Scheme of which he is a member.	The amount of the lump sum paid to the Member.
7.	A person being paid a Defined Benefits Lump Sum Death Benefit or an Uncrystallised Funds Lump Sum Death Benefit in respect of the Member under any Registered Pension Scheme of which he was a member.	The amount of the lump sum death benefit.
8.	The transfer of sums or assets held for the purposes of, or representing accrued rights under, any of the Registered Pension Schemes of which the Member is a member so as to become held for the purposes of or to represent rights under a Qualified Recognised Overseas Pension Scheme in connection with the Member's membership of that scheme.	The aggregate of the amount of any sums transferred and the market value of any assets transferred.

where:

"P" means:

assuming that it remains payable throughout that period at the rate at which it is payable on that day the amount of pension which will be payable to the Member in the period of 12 months commencing with the date on which the Member becomes entitled to it (excluding any reduction to reflect the Lifetime Allowance Charge);

"XP" means:

the amount by which the increased annual rate of pension exceeds the rate at which it was payable on the date on which the Member became entitled to it, as increased by the Permitted Margin (excluding any reduction to reflect the Lifetime Allowance Charge) PROVIDED THAT if one or more Benefit Crystallisation Events has or have previously occurred by reason of the Member becoming entitled to payment of the pension at an increased rate, the amount(s) crystallised by that/those event(s) shall not be included;

"DP" means:	the annual rate of the Scheme Pension to which the Member would be entitled if, on the date on which he reaches 75, he acquired an actual right to receive it;
"DSLS" means:	so much of any lump sum to which the Member would be entitled (otherwise than by way of commutation of pension) as would be paid to the Member if, on that date, he acquired an actual right to receive it.
"RVF"	means 20 or such other amount as is provided for in the Act or such higher number as is agreed by the Revenue and the Administrator

- (c) There shall be no Benefit Crystallisation Event as described at 3 in the table above where at the time when the annual rate of the Member's pension is increased there are at least 50 Members of the Scheme in receipt of a pension and all Scheme Pensions being paid to such Members are increased by the same rate at that time.

G. OVERRIDING PROVISIONS

20. The Act

- (a) To the extent that any provisions of this Appendix or the Rules contradict or are otherwise contrary to the Act and/or any regulations issued thereunder, the Act and/or such regulations (as may have been amended) shall apply. The terms used in this Appendix shall have the meanings defined in the Act.
- (b) All payments and tax charges which become due under the Rules of the Scheme shall be calculated and paid in accordance with the Act.

H. TRANSITIONAL PROVISIONS

21. Primary Protection

Where a Member has notified the Revenue of his intention to rely on "primary protection" in accordance with the Act and the Revenue has issued the Member with a certificate confirming such protection, that Member's Lifetime Allowance shall be increased by the following factor:

$$\frac{(RR - SLA)}{SLA}$$

where:

RR means: the aggregate of the value of the Member's Crystallised and Uncrystallised Pension Rights on 5th April 2006 PROVIDED THAT if the Member's rights under a relevant pension arrangement as defined in Schedule 36 of the Act are reduced by becoming subject to a Pension Debit, RR shall be reduced by such amount;

SLA means: £1,500,000 for the tax year 2006-07 or such amount as has been specified by order made by the Treasury for the relevant tax year

22. Enhanced Protection

- (a) Where a Member has notified the Revenue of his intention to rely on "enhanced protection" in accordance with the Act and the Revenue has issued the Member with a certificate confirming such protection:
- (i) there shall be no liability to the Lifetime Allowance Charge; and
 - (ii) no payment of a Lifetime Allowance Excess Lump Sum shall be payable to the Member.
- (b) A Member shall lose such protection if there is:
- (i) a relevant benefit accrual, as defined in paragraph 13 of Schedule 36 to the Act;
 - (ii) an impermissible transfer, as defined in paragraph 17A of Schedule 36 to the Act;
 - (iii) a transfer of sums or assets held for the purposes of or representing accrued rights under the arrangement(s) is made that is not a Permitted Transfer; or
 - (iv) an arrangement relating to the individual is made under a Registered Pension Scheme otherwise than solely for the purposes of a Permitted Transfer.

23. Pre-6th April 2006 Pensions

Where a Member has an actual (rather than a prospective) right to the payment of one or more relevant existing pensions (as defined in paragraph 10 of Schedule 36 to the Act) the value of such pensions shall be:

$25 \times \text{ARP}$

where,

ARP is an amount equal to the annual rate(s) at which the relevant existing pension(s) is/are payable to the individual at that time, or in the case of an Unsecured Pension or Alternatively Secured Pension is the maximum amount that may be paid in the relevant year in accordance with the Act

24. Lump Sum Rights: Primary Protection

Where a Member's Total Lump Sum Rights on 5th April 2006 exceeds £375,000 or such other sum as is specified by the Act and the Member has been granted "primary protection" by the Revenue, the permitted maximum of the Member's Pension Commencement Lump Sum shall be:

$\text{VULSR} - \text{APCLS}$

where,

VULSR is the value of the Member's Uncrystallised Lump Sum Rights on 5th April 2006 multiplied by:

CSLA
FSLA

where,

CSLA is the standard lifetime allowance applicable at the relevant time; and

FLSA is £1,500,000; and

APCLS is the aggregate of the amounts of each Pension Commencement Lump Sum to which the Member has become previously entitled multiplied by:

CSLA
PSLA

where,

PSLA is the standard lifetime allowance at the time the Member became entitled to the lump sum

25. **Lump Sum Rights: Enhanced Protection**

Where a Member's Total Lump Sum Rights on 5th April 2006 exceeds £375,000 or such other sum as is specified by the Act and the Member has been granted "enhanced protection" by the Revenue, the calculation of the Member's Pension Commencement Lump Sum shall be modified so that the Lump Sum Applicable Amount (which is to be used in calculating the Lump Sum Permitted Maximum) for these purposes shall be:

- (a) where the Member becomes entitled to Income Withdrawal:

$$\frac{(\text{VULSR}) \times (\text{LS} + \text{AD})}{\text{VUR}}$$

- (b) where the Member becomes entitled to a Lifetime Annuity:

$$\frac{(\text{VULSR}) \times (\text{LS} + \text{APP})}{\text{VUR}}$$

- (c) where the Member becomes entitled to a Scheme Pension:

$$\frac{(\text{VULSR}) \times (\text{LS} + \text{AC})}{\text{VUR}}$$

where,

VULSR is the value of the Member's Uncrystallised Lump Sum Rights

VUR is the value of the Member's Uncrystallised Pension Rights on 5th April 2006;

LS is the lump sum paid;

AD is the aggregate of the amount of the sums, and the market value of the assets, designated as available for the payment of Unsecured Pension on that occasion;

APP is the annuity purchase price; and

AC is the amount crystallised under Section 216 of the Act by reason of the Member becoming entitled to the pension

26. **Lump Sum Rights Exceeding 25% of Uncrystallised Pension Rights**

Where the Member does not have either "primary protection" or "enhanced protection" and becomes entitled to all pensions payable to him under the Scheme on the same date, if either:

- (a) the Member's Lump Sum Percentage under the Scheme on 5th April 2006 exceeds 25%; or
- (b) the Member has, as a result of a Block Transfer or series of Block Transfers, transferred from another Registered Pension Scheme in respect of which the Lump Sum Percentage exceeded 25% on 5th April 2006,

the calculation of the Member's Pension Commencement Lump Sum shall be modified so that the Lump Sum Permitted Maximum in relation to the Member after 5th April 2006 shall:

- (i) where relevant benefit accrual, as defined in paragraph 13 of Schedule 36 to the Act, has occurred after 5th April 2006, be

$(VULSR \times (CSLA/\pounds1,500,000)) + ASLA$; and

- (ii) where there has been no such relevant benefit accrual in respect of the Member after 5th April 2006, be

$(VULSR \times (CSLA/\pounds1,500,000))$

where,

VULSR is the value of the Member's Uncrystallised Lump Sum Rights under the Scheme on 5th April 2006, calculated in accordance with paragraph 32 to Schedule 36 of the Act;

CSLA is the standard lifetime allowance in force at the relevant time; and

ASLA is the greater of the additional lump sum amount, as defined in paragraph 34 of Schedule 36 to the Act, and nil.

THIS DOCUMENT IS EXECUTED as a deed and is delivered on the date stated at the beginning of this deed

EXECUTED as a **DEED** and **DELIVERED**)
by **HAMMERHEAD TELEVISION FACILITIES LTD**)
acting by:)

Ham

DIRECTOR

Paul Turtle

DIRECTOR\SECRETARY

SIGNED and **DELIVERED** as a **DEED**)
by **PAUL ANTHONY TURTLE**)
in the presence of: *Jeffrey Carter*) *Paul Turtle*

Witness: **JEFFREY CARTER**

Address: **197 South Croxted Road**

Occupation: **LONDON SE21 8AY**
graphic Designer

SIGNED and **DELIVERED** as a **DEED**)
by **NIGEL ALAN HOBAN**)
in the presence of: *J. Feloy*) *Ham*

Witness: **JOSEPHINE FELOY**

Address: **8, STAPLEDON LANE, ASHBURTON, DEVON TQ13 7AE**

Occupation: **TEACHING ASSISTANT**