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# J Rothschild Assurance plc
# Personal Retirement Plan

THIS DEED POLL

is made this 30th day of September 1996

by J. Rothschild Assurance plc ("the Company") having its registered office at J. Rothschild House, Dollar Street, Cirencester, Gloucestershire, GL7 2AQ.

Registered No: 2628062.

WHEREAS

(A) By a Deed Poll dated 6th day of December 1991 ("the First Deed Poll") the Company established the J. Rothschild Assurance Personal Retirement Plan ("the Scheme") a personal pension scheme which is approved under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988 ("the Taxes Act") and holds an appropriate scheme certificate issued by the Occupational Pensions Board under Chapter I of Part III of the Pension Schemes Act 1993 ("a Certificate").

(B) By a Deed Poll dated 23rd day of June 1995 the Company amended the provisions of the Scheme.

(C) The Company, acting in all its capacities relative to the Scheme, wishes to update all the existing provisions of the Scheme.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. That, acting under every and any power it enabling including clause 6 of the First Deed Poll, the Company hereby replaces all of the existing clauses and rules of the Scheme in their entirety by the following clauses and the Schedule hereto.

2. The Company hereby confirms and ratifies the continuation under irrevocable trust of the Scheme which is a Personal Pension Scheme as defined in Section 630 of the Taxes Act and which continues to hold a Certificate, to be henceforward governed by the provisions of this Deed and the rules as set out in the Schedule hereto and coded IMR/APP/1995 ("the Rules").

3. The Company will continue to act as the Scheme Administrator in accordance with Chapter IV of Part XIV of the Taxes Act.

4. The Company HEREBY DECLARES that it will continue to be the Trustee of the Scheme.

5. (a) Each member of the Scheme ("Member") and each Member's Employer (if applicable) may contribute such monies to the Scheme as shall be agreed with the Company subject to Rule 4 of the Rules

(b) The Company (at the request of the Member) may accept (unless to do so would be in breach of any requirements of the Board of Inland Revenue) a transfer payment to the Scheme made in accordance with Rule 13 of the Rules

(c) The "Member's Total Fund" under the Scheme will in respect of each individual Member constitute the policy, policies, contract and contracts and life assurance policies (as the case may be) issued by the Company representing and comprising contributions paid to the Scheme in accordance with clause 5(a) hereof and any transfer payments received in accordance with clause 5(b) hereof and any policy issued by another Insurer in which the Company is named as the grantee.

6. (a) The Members will be such eligible individuals who have satisfied the entrance requirements of the Scheme as may be determined from time to time by the Company.

(b) All the investments, assets and monies underlying, the policies and contracts issued pursuant to the Scheme comprising all of the Members' Total Funds (hereinafter called "the Fund") will be held under the legal control of and by (or in the name of) the Company except that the Company may place those investments, assets and monies under the control of (or in the name of) such body corporate (as nominee for it) as it shall from time to time select.

7. The entire legal ownership of the assets of the Scheme or legal interest in the investments or deposits held for the purpose of the Scheme will lie with the Company.

8. The Company will, in all normal circumstances, subject to any restrictions contained within this Deed and the Rules and subject at all times to any requirements of the Board of Inland Revenue apply each and every Member's contribution paid by or in respect of him or transfers received to policies issued by the Company alone and will, subject to the terms of the said policies consider any specific wishes of a Member.

9. (a) The Company may at any time add to, alter or modify any or all of the provisions of this Deed. Any such amendment shall be made by deed by J. Rothschild Assurance plc which may make the alteration effective from a date earlier than the date of the deed.

(b) The Company will, in order to maintain approval of the Scheme, amend, add to, alter or modify the Rules or, if necessary, this Deed where the Board of Inland Revenue so require.

(c) The Company will (in respect of every amendment made) determine whether notification is necessary and the manner in which the Member shall be notified of such amendment.

10.

10.1 Save for the proceeds deriving from any policy issued by the Company:-

(a) prior to the date hereof pursuant to the Scheme having been assigned or alienated to or placed on a separate trust

(b) on or after the date hereof (it being a policy of life assurance) which at the time of it being effected is subject to a separate assignment or alienation

(which for the purposes of this clause shall be excluded from each Member's Total Fund)

each Member's Total Fund shall be held UPON TRUST by the Company insofar as this does not conflict with this Deed and the Rules to the effect that, upon the death of the Member, any lump sum payable in accordance with Rule 8.11, 9.15 or 10 of the Rules shall be held and dealt with by the provisions of this clause and shall be known as "the death benefit".

10.2 For the purposes of clause 10 only, the following expressions have the following meanings:

(1) "trust fund" means the death benefit and all monies paid pursuant to the death benefit and derived from the death benefit, the accumulation of income from such monies and the investments from time to time representing the same

(2) "vesting day" means the expiry date of the period beginning at the date of the entry into membership of the Scheme by the Member concerned and enduring for two years after the date of death of the Member

(3) "dependant" means an individual who is, or who immediately before a Member's death or retirement was, financially dependent on the Member. It includes a Member's child or adopted child who has not attained age 18 or has not ceased to be in full time education or to receive vocational training

(4) "relative" means in relation to the Member

(a) the Member's widow or widower:

(b) any child or remoter issue of the Member and the spouse or widow or widower of any such child or remoter issue;

(c) the father or mother (whether natural or adoptive) of the Member and the widow or widower of such father or mother;

(d) any person (except the Member) who is the child or remoter issue (whether natural or adoptive) of such father or mother and the widow or widower of any such person

(5) "beneficiary" means any person listed in Rule 9.15(3) of the Rules and includes the Member's relatives, dependants and legal personal representatives

10.3 The Company will, during the period between the Member's death and the second anniversary of his death, pay or apply the income of the trust fund to one or more of the beneficiaries for the time being in existence in such shares (if more than one) as the Company will in its absolute discretion determine, except that the Company may, during a period of two years from the death of the Member, instead of allocating all or any part of the income as aforesaid, accumulate the same by retaining it and holding it as part of the capital of the trust fund for all purposes

10.4 The Company will, during the period between the Member's death and the second anniversary of his death, stand possessed of the whole of the trust fund in trust for such of the beneficiaries being individuals living or any one or more of them, to be distributed in such shares as the Company will, prior to or on, the vesting day determine and in default of such determination the Company will pay or transfer the whole of the trust fund and the income (not otherwise disposed of under clause 10.3) from it to such of the beneficiaries being individuals as shall then be living and known to the Company at that date in equal shares absolutely

10.5 The Company shall be permitted to exercise the widest powers privileges and immunities conferred by the Law of England on trustees together with the following additional powers:-

(1) Power to delegate to any persons or bodies corporate (including one or more of themselves) for any period and in any manner and upon any terms (including reasonable remuneration) the execution or exercise of any of the trust powers and discretions imposed or conferred on them hereby or by law

(2) Power to exercise discretion relating to the application of income, the payment of maintenance, the making of advance payments and the investment of capital in such a way and in such a manner as the Company will in its absolute discretion determine

(3) Power to pay to the parent or either parent or any guardian of any person who has not attained the age of legal capacity or is physically or mentally handicapped to the extent that he is legally unable to manage his own affairs any sum of income intended to be applied for the maintenance or education or benefit of that person or any sum of capital intended to be applied for the advancement or benefit of that person so that the receipt of such parent or parents or guardians shall be a complete discharge to the Company

(4) Power to seek and receive written indications from Members as to whom a Member would want the Company to consider for benefit under this clause 10 upon the death of the Member concerned

10.6 In the professed execution of the trust powers and discretions hereof the Company will not be liable for any loss to the trust fund arising by reason of any improper investment made in good faith or the negligence or fraud of any agent employed by it, although the employment of such agent was not strictly necessary or expedient, or by reason of any mistake or omission made in good faith by an employee of the Company or by reason of any other matter or thing expect wilful and individual fraud or wrongdoing on the part of an employee of the Company who is sought to be made so liable

10.7 Any beneficiary will be eligible to receive a benefit under this trust notwithstanding that he may from time to time be a director or employee of the Company

10.8 The Company may exercise the powers under this clause 10 by advancing, paying, transferring or applying any part of the trust fund to trustees to be held under a separate trust of which any one or more of the beneficiaries of this trust (but no other person) is a beneficiary and the Company may declare and establish such separate trusts or sub-trusts or may, at its sole discretion, recognise suitable separate trusts to which it may transfer all or any part of the death benefit for the benefit of such of the beneficiaries as it in its sole discretion shall think fit and may appoint such persons to be trustees of those trusts or sub-trusts as it, in its absolute discretion, shall decide

10.9 All rules of law about apportionment between capital and income are excluded for all the purposes of this clause 10.

10.10 For the purposes of Rule 4.5 and Rule 10(3) "the proviso to Rule 4.5" is deleted.

11. The administration and management of the Scheme shall be vested in the Company in accordance with the provisions of this Deed and the Rules.

12. The Company shall appoint an auditor upon such terms as it decides who shall be a member of the Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in England and Wales or the Association of Certified and Corporate Accountants, or a firm whose partners are members of any one or more of those bodies.

13. All expenses in connection with the administration and management of the Scheme shall be paid by the Company out of the Fund.

14. (a) The Company will in its role as trustee of the Scheme be entitled to all the indemnities conferred on trustees by law. The Company will not be liable for any acts or omissions not due to its own wilful neglect or default

(b) In this clause the word "Company" shall include every trustee and provider for the time being of the Scheme and every Director or employee of the Company and every Director, employee or member of a corporate trustee of the Scheme.

15. The Company may deduct from any payment made under the Scheme a sum equal to any tax which becomes liable as a result of that payment. Such payment of tax shall be made out of the Member's Total Fund under which it rightly falls due.

16. In order to maintain the approval of the Scheme in accordance with Chapter IV of Part XIV of the Taxes Act 1988 and in order to comply with any requirements of the Occupational Pensions Board or the Department of Social Security or such other relevant statutory body the Company will give such undertakings to the Board of Inland Revenue, the Occupational Pensions Board or the Department of Social Security or such other relevant statutory body (as the case may be) as may be required from time to time.

17. The Company can, at its sole discretion, determine that the Scheme shall continue or cease to be contracted out for the purposes of the Pension Schemes Act 1993 and hence whether or not it will continue to hold a Certificate.

18. The accumulation period for income shall extend to no longer than the twentieth anniversary of the death of the Member to or in respect of whom that Rule is being applied.

19. The power of replacing itself as Trustee and appointing a new or additional trustee of the Scheme in its place shall be vested solely in the Company.

20. (a) The Company may employ agents to transact any business regarding the Scheme including the payment of benefit. Any valid receipt given to an agent acting under this Clause shall be a good and sufficient discharge to the Company

(b) The Company may delegate any of its powers and duties under the Scheme relating to the management of the investments underlying the policies or contracts comprising the Scheme (whether or not such investments are held in the United Kingdom) to such person as they may select

(c) Any agent employed by the Company or any person to whom the Company delegates the exercise of its powers, duties or obligations may, subject to the written consent of the Company, further delegate such of the powers, duties and obligations it is required to undertake as are not inconsistent with its appointment.

21. Unless otherwise permitted by statute and by the Rules no pension, annuity or lump sum benefit on retirement payable under the Scheme shall be capable of being assigned or charged to someone else. Any annuity or income payable under the Scheme is an alimentary benefit. If sequestration of a Member's estate is awarded or a trustee in bankruptcy appointed in respect of a Member after the date hereof, the Member's Total Fund and entitlements under the Scheme shall not vest in the trustee in bankruptcy. If, through the operation of this Clause, a benefit ceases to be payable, the Company may, in case of hardship, apply all or any part of it for the support and maintenance of the person who would have been the recipient had the benefit not ceased to be payable, or his spouse, children or remoter issue (but in no case shall any payment be made to an assignee or purported assignee).

22. This Deed and the Rules brought into effect hereunder will be read and construed in accordance with the Law of England.

23. For the purposes of construing this Deed:

(i) the terms referred to in this Deed other than those defined in this Deed shall have the same meanings given to them in the Rules;

(ii) words referring to the masculine gender shall include the feminine gender;

(iii) words referring to the singular shall include the plural and vice versa;

(iv) references to any enactment include references to that enactment as amended or extended or re-enacted by or under any other enactment.

IN WITNESS WHEREOF, the Company has executed this Deed Poll the day and year first written at the beginning of this Deed

THE DEED POLL has been duly )
~~sealed in the presence of~~: )
executed as a deed by two directors/directors and secretary

Signed ........................

Secretary

Signed ........................

Director

# SCHEDULE

This is the Schedule referred to in the Deed Poll made by J. Rothschild Assurance plc on further defining and governing the J. Rothschild Assurance Personal Retirement Plan.

## APPROPRIATE PERSONAL PENSION SCHEMES
## INTEGRATED MODEL RULES
## IMR/APP/1995

# APPENDIX

**Name of Provider:** J. Rothschild Assurance plc

**Name of Scheme Administrator:** J. Rothschild Assurance plc

# APPROPRIATE PERSONAL PENSION SCHEMES

# INTEGRATED MODEL RULES

**Interpretation: References to any legislation or any provision includes references to any previous legislation or provision relating to the same subject matter and to any modification or re-enactment for the time being in force**

# APPROPRIATE PERSONAL PENSION SCHEMES

# INTEGRATED MODEL RULES

## 1. INTRODUCTION

1.1 **Tax approval.** The Scheme is a personal pension scheme designed for approval under Chapter IV of Part XIV of the Act. Its only purpose is to provide income withdrawals, pensions and lump sums as described in the Scheme Documents (including these Rules).

1.2 **Member's chosen Scheme.** The Scheme is also designed to receive payments from the Secretary of State for Social Security where a notice has been given to the Secretary of State that a Member wishes minimum contributions (as in Rule 5.1(1)) to be made to the Scheme.

1.3 **Overriding Rules.** These Rules set out the requirements for tax approval and for the issue of an appropriate scheme certificate. They override any inconsistent provisions elsewhere in the Scheme Documents.

1.4 **Form of Scheme.** The Scheme may (but depending on the type of provider, need not) be set up under trust. If the Scheme is to take the form of individual irrevocable trusts for each Member, the benefits for each Member under the Scheme will be held under a trust to be established by the Scheme Administrator for the benefit of that Member in a form approved by the Inland Revenue. If the Scheme is to take that form, or if it is to be established under a single irrevocable trust and the Arrangements are not to take the form of insurance contracts, the Member must also enter into a binding agreement by deed with the Scheme Administrator as trustee in a form approved by the Inland Revenue not to require withdrawal of the trust funds, or income from those trust funds to be paid to the Member, otherwise than for the payment of benefits under the Scheme at the time provided by the Rules.

## 2. DEFINITIONS

In these Integrated Model Rules the following words have the following meanings:-

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

"**Actuary**" means a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries, or a person with other actuarial qualifications who is approved by the Secretary of State for Social Security, at the request of the Scheme Administrator, as being a proper person to act in this capacity.

"**Appropriate Personal Pension Scheme**" means a personal pension scheme which has received an appropriate scheme certificate under the Pension Schemes Act.

**"Provider"** means the person who established the Scheme. The name of the Provider is set out in the Appendix at the end of these Rules.

**"Qualifying Child"** means a child of the Member and the Member's widow or widower. It also includes any other child for whom the Member was entitled to child benefit immediately before the Member died (or would have been if the child had been in Great Britain). If the Member and the widow or widower were living together at the time the Member died, it also includes any child for whom the widow or widower was then entitled to child benefit (or would have been if the child had been in Great Britain).

**"Rule"** (followed by a number) means the Rule (with that number) in this Appendix.

**"Scheme"** means this personal pension scheme.

**"Scheme Administrator"** means the person appointed under Rule 16.2 who is responsible for the management of the Scheme.

**"Scheme Documents"** means the documents which govern the Scheme (including these Rules).

**"Special Commissioners"** means the persons defined in section 4 of the Taxes Management Act 1970.

**"State Pensionable Age"** means a man's 65th birthday and a woman's 60th birthday.

**"Survivor"** means a Dependant or widow or widower of a Member who has died.

**"Survivor's Fund"** means the value from time to time of those funds deriving from a Member's Non-Protected Rights Fund which have been set aside for the purchase of a pension for a particular Survivor.

**"Tax Year"** means a period beginning on 6 April and ending on the next following 5 April.

## 3. MEMBERS AND ARRANGEMENTS

3.1 **Becoming a Member.** A person who wants to become a Member must complete an application form required by the Scheme Administrator. The form must include the following undertakings:-

(1) the Member agrees to be bound by these Rules;

(2) the Scheme Administrator agrees, on behalf of the Provider, to administer the Scheme as required by these Rules.

A person can become a Member only if he or she is under age 75 and if the Scheme Administrator agrees.

3.2 **Making Arrangements.** A Member may make a single Arrangement with the Scheme Administrator in which case these Rules will apply to that Arrangement.

(1) the contributions which exceed the limit will be repaid from the Scheme unless the Member proves to the Scheme Administrator that they have been repaid from another scheme or schemes;

**BUT**

(2) if the employer has contributed, the employer's contributions will not be repaid unless the Member's contributions paid to all personal pension schemes in that Tax Year have been repaid and there are still contributions which exceed the limit remaining.

If the contributions paid by the Member were paid after deduction of tax at the basic rate, the amount repayable will be the gross contribution before deduction of tax from which the Scheme Administrator will deduct tax at the same rate as was deducted from the contributions when paid, or deemed to be paid for contributions carried back under section 641 of the Act. The Scheme Administrator may use discretion to adjust a repayment of net contributions to take account of expenses and interest and of any change in the value of the underlying assets during the intervening period.

4.5 **Using contributions to buy life insurance.** A Member may, if allowed to do so under the Scheme, choose for all or part of the contributions in respect of him or her (excluding Protected Payments as defined in Rule 5.1) to be used by the Scheme Administrator as premiums on a life insurance contract with an Insurer. The contract must provide a lump sum to be paid only if the Member dies before a specified age (not later than age 75). This lump sum shall be payable in accordance with Rule 10, provided that rights to benefits under such a life insurance contract may not be assigned, and Rule 10(3) shall not apply unless this proviso is expressly deleted in the contract documentation in respect of specific Arrangements or parts of Arrangements.

The total contributions to all Approved Personal Pension Schemes and to all contracts and schemes approved under Chapter III of Part XIV of the Act used in this way in any Tax Year must be within the limit set by the Act.

4.6 **Waiver of contributions.** A Member may, if allowed to do so under the Scheme, choose for not more than 25% (one quarter) of the contributions in any Tax Year in respect of him or her under the Scheme (excluding Protected Payments as defined in Rule 5.1) to be paid as premiums to an insurance contract:-

(1) which, if the Member becomes unable to follow his or her occupation by reason of incapacity, will enable the contributions that would otherwise have been paid by the Member and the Employer to be waived, and for the Member's Fund to be increased as if the contributions had been paid (and, where appropriate, will allow any insurance contract bought under Rule 4.5 to be similarly continued); and/or

(2) which provides that, if the Member's incapacity causes the benefit to start earlier than would otherwise be the case (under Rules 6.2 or 6.3), the benefit may be enhanced in a manner and to an extent acceptable to the Inland Revenue.

5.2 **Allocation of minimum contributions.** The Scheme Administrator and the Provider shall ensure that all minimum contributions, as described in Rule 5.1(1), which are received by the Scheme are allocated to the Protected Rights Fund of each Member in respect of whom such minimum contributions relate within three months of the date on which payment of such minimum contributions is made by the Secretary of State for Social Security and applied with effect from the date of payment.

5.3 **Non-Protected payments.** Any payments other than those specified in Rule 5.1 (and the benefits resulting from such payments) are not subject to the restrictions referred to in Rule 5.1 unless the Scheme Documents specifically state otherwise. The Scheme assets representing Non-Protected payments are referred to in these Rules as the "**Non-Protected Rights Fund**".

5.4 Money **Purchase Benefits.** The Protected payments under Rule 5.1 and their proceeds under the Scheme must be used to provide the Member with Money Purchase Benefits, except so far as they are used to meet administrative expenses of the Scheme and to pay commission.

The Member's rights to these benefits are called "**Protected Rights**". The Scheme assets representing these Protected Rights are referred to in these Rules as the "**Protected Rights Fund**". The pension bought with a Member's Protected Rights Fund is referred to as the "**Protected Pension**".

5.5 **Calculation.** The value of the Member's Protected Rights Fund must be calculated in a way approved by the Scheme Administrator. It must be at least as favourable as the way in which any other Money Purchase Benefits of the Member in the Scheme are calculated. It must also be consistent with the requirements set out in the rest of these Rules.

Where the valuation of the Protected Rights Fund involves making estimates of the value of benefits, then the manner of calculation must be approved by an Actuary. The methods and assumptions used must be either determined by the Scheme Administrator, or notified to the Scheme Administrator by an Actuary, and must in either case be certified by an Actuary to be consistent with the requirements of the Pension Schemes Act and with "Retirement Benefit Schemes - Transfer Values (GN11)" published jointly by the Institute of Actuaries and the Faculty of Actuaries and current when the calculation is being made. The Scheme Administrator must keep such records as will enable the amount of the Member's Protected Rights Fund to be calculated at any time.

## 6. DATE MEMBER'S BENEFIT STARTS

6.1 **State Pensionable Age or later.** A Member's benefit becomes payable at State Pensionable Age unless it has started earlier as described below. The Member and the Scheme Administrator may agree in writing on a later date, but this date must be before the Member's 75th birthday.

6.2 **Between age 50 and State Pensionable Age.** The benefit from a Member's Protected Rights Fund may never start earlier than State Pensionable Age (unless the Member dies before then). But other benefits may, subject to Rule 6.1, start at any time after the Member reaches age 50 as he or she shall notify in writing to the Scheme Administrator.

6.3 **Incapacity below age 50.** A Member's benefit (except for benefits from the Protected Rights Fund) may start earlier than age 50 if the Member becomes incapable

(2) if the Arrangement was made on or after 27 July 1989 the lump sum cannot (subject to Rule 7.1(3)) be more than 25% (one quarter) of the amount, at the time the lump sum is paid, by which the Member's Fund exceeds any part of the Member's Protected Rights Fund which is within that Arrangement;

(3) for the purposes of Rules 7.1(1) and 7.1(2), there shall be excluded from the Member's Fund the accumulated value of that part of any transfer payment accepted in respect of a Member and which had its origins in a source described in Rules 13.1(2), (3), (5) and (6), unless no certificate as described in Rule 7.1(4) is relevant in respect of that part of any such transfer payment;

(4) the Member may also receive as a lump sum so much of any transfer payment accepted in respect of the Member from a source described in Rules 13.1(2), (3), (5) and (6) as has been certified as payable in that form. This amount may be enhanced in line with the increase in the retail prices index between the date of transfer from that source to the date that benefits are paid from the Member's Fund. In no circumstances, however, may the lump sum paid under Rule 7 exceed the limit set under section 635 of the Act.

Where the Member has made more than one Arrangement, Rule 7 applies to each Arrangement separately.

7.2 **Member's pension.** Except for any lump sum paid as described in Rule 7.1, and subject to Rule 7.9, the Member's Fund will be used to buy a pension for life from an Insurer starting on the date appropriate under Rule 6.

The pension bought with a Member's Protected Rights Fund must be one offered without regard to the sex or marital status of the Member either in making the offer or in calculating the amount of the pension.

7.3 **Member taking early benefit - Protected Rights Fund.** If the Member's pension starts before State Pensionable Age, the Protected Rights Fund will not be used immediately. It will be used at or after State Pensionable Age to buy extra pension. In this case the rest of Rule 7 will apply separately to the Protected Rights Fund. But, if the Member dies between the date the pension starts and State Pensionable Age, Rule 11 will apply.

7.4 **Member's right to choose.** The Member has the right to choose any Insurer to provide the pension. Once the Member has chosen the Insurer, he or she must write to tell the Scheme Administrator which Insurer he or she has chosen.

If the Member has chosen the Insurer to provide the Protected Pension, he or she must notify the Scheme Administrator at least one month, but not more than 6 months, before the date the pension is due to start. If the Member agrees to the benefit starting at a later date than State Pensionable Age, the time during which he or she can write to tell the Scheme Administrator of the choice of Insurer is different. In this case it is any time from the date on which he or she agrees to a later date up to one month before that later date. If there is less than one month between the two dates, then he or she can only choose an Insurer by telling the Scheme Administrator so in writing on the same day as he or she agrees to the later date. The Scheme Administrator may allow any Member a longer period in which to make his or her choice.

date benefit is to start. The Member shall also notify the Scheme Administrator in writing when he or she wishes the deferral to end, again providing at least one month's notice. The pension must be purchased before the Member's 75th birthday.

7.10 **Income withdrawals.** Whilst the purchase of the pension is deferred under Rule 7.9, the Member shall make income withdrawals each year from the Member's Non-Protected Rights Fund (excluding any lump sum paid under Rule 7.1) in accordance with Rules 7.11 and 7.12. No income withdrawals shall be made after the Member attains the age of 75.

7.11 **Income withdrawal limits.** The (aggregate) amount of income withdrawal(s) in each of the three successive periods of twelve months beginning with the date benefit starts shall not exceed the amount of pension purchasable on that date calculated by reference to the amount of the Member's Non-Protected Rights Fund (excluding any lump sum paid under Rule 7.1) and the current published tables of annuity rates prepared for this purpose by the Government Actuary. Such income withdrawals shall not be less than 35% of the pension so calculated. This minimum limit shall not apply for the twelve month period during which the pension is purchased or the Member dies.

7.12 **Recalculation of withdrawal limits.** The maximum and minimum annual income withdrawals for each period of three years succeeding the first shall be calculated by reference to the amount of the Member's Non-Protected Rights Fund remaining on the first day of each period and the Government Actuary's annuity rate tables current at that date.

## 8. MEMBER DIES AFTER BENEFIT STARTS

8.1 **Member's choice.** Subject to Rule 8.2 a Member may choose that, in addition to the pension bought for the Member, there will also be bought a pension payable after the Member's death for:-

(1) the widow or widower; and/or

(2) one or more Dependants.

8.2 **Protected Rights Fund - restrictions.** The Protected Pension must include a pension payable on the Member's death to any Protected Widow or Widower. It must not include a pension for any other Survivor if there is a Protected Widow or Widower.

The Protected Pension may (but need not) also include a Survivor's pension if there is no Protected Widow or Widower. In this case the Survivor's pension must be payable either:-

(1) to any one widow, widower or Dependant; or

(2) for the benefit of any Dependent Child(ren). "**Dependent Child(ren)**" means a child (or children) for whom the Member was entitled to child benefit immediately before he or she died (or would have been if the child had been in Great Britain). The child(ren)'s pension will be paid only so long as at least one Dependent Child is under age 18.

The restrictions on the Protected Rights Fund under this Rule 8.2 do not affect the Member's choice under Rule 8.1 for the rest of the pension.

Where the pension continues and is payable to another individual it may either continue for the full guarantee period in any event, or be arranged so as to stop if at any time the individual to whom it is being paid marries, reaches age 18 or leaves full-time educational or vocational training after reaching age 18.

This Rule 8.8 does not apply, however, to a Survivor's pension included in the pension bought with a Member's Protected Rights Fund. (The Member's pension itself, however, may be guaranteed as described in Rule 7.8.)

8.9 **Lump sum payable direct by Insurer.** If any lump sum is payable under a life insurance contract as described in Rule 4.5, it will be paid direct by the Insurer to the Scheme Administrator. It will not form part of the Member's Fund, but it will be applied separately by the Scheme Administrator as described in Rule 10.

8.10 **Death of Member during pension deferral period.** If the Member dies after electing to defer the purchase of his or her pension under Rule 7.9, but before the pension is purchased, the Member's Non-Protected Rights Fund may be applied to or for the benefit of one or more Survivors. Each such Survivor may choose, in writing, to receive his or her Survivor's Fund in one of the following ways:-

(1) purchase of a pension either immediately, or following a period of deferral during which income withdrawals shall be made in accordance with Rules 9.18 and 9.19, or

(2) payment of the Survivor's Fund as a lump sum.

The total of all Survivors' pensions must not be more than the highest amount of pension which the Member could have purchased the day before he died. Any restriction of a Survivor's pension required by the foregoing will be deemed to have been achieved by a corresponding reduction of the Survivor's Fund in the event that the Survivor chooses (1) or (2) above. The option under (1) to defer pension purchase and take income withdrawals shall not be available to any Survivor who chooses under Rule 8.4 to have a pension which starts at a later time up to his or her 60th birthday or who has already attained the age of 75. The pension must be purchased before the earlier of the Member's 75th birthday and the Survivor's 75th birthday.

Any Survivor making income withdrawals under option (1) may nevertheless choose option (2) at any time within the two years following the death of the Member.

No Survivor shall make any income withdrawals after ceasing to be entitled to a pension under Rules 8.5 or 8.7. Subject to the preceding paragraph, any Survivor's Fund remaining at the date of such cessation will be used to meet general administrative expenses of the Scheme.

The provisions of Rule 9.3 will apply on the death of the Member during the pension deferral period.

Where the Member's Non-Protected Rights Fund is not to be applied to or for the benefit of one or more Survivors, it shall be applied in accordance with Rule 9.15.

Where the Provider is an Insurer, the Provider may either provide the pension or permit the Member or Survivor to choose an Insurer as described above. Where the Provider provides the pension, the Scheme Administrator may allow the Member or the Survivor to choose whether any of the options in Rules 9.8 to 9.13 will apply to the pension or the Scheme Administrator may make the choice.

9.4 **Scheme Administrator's choice.** Subject to Rule 9.17, if a Member or Survivor who is allowed to choose an Insurer does not do so by writing to tell the Scheme Administrator by the latest date permitted under Rule 9.3, the Scheme Administrator will choose the Insurer and will decide which of the alternatives in Rules 9.8 to 9.13 will apply to the pension.

9.5 **Maximum amount of pension.** The total of all Survivors' pensions under Rule 9 must not be more than the highest amount of pension which the Member could have purchased the day before he died (assuming that he or she would not have taken any lump sum under Rule 7.1). Any restriction of a Survivor's pension required by the foregoing will be deemed to have been achieved by a corresponding reduction of the Survivor's Fund in the event that the Survivor chooses option (1) or (2) under Rule 8.10. Any part of the Member's Fund that cannot be used to buy Survivors' pensions will be used by the Scheme Administrator to meet general administration expenses of the Scheme.

9.6 **Start of Survivor's pension.** A Survivor's pension, unless deferred as in Rule 9.17, will start as soon as practicable after the Member dies, except as described below.

A widow or widower who is under age 60 when the Member dies may choose a pension to start at any later time up to the 60th birthday (or, if she or he is receiving continued payments of the Member's pension for a guarantee period ending after the 60th birthday, at the end of the guarantee period). A Protected Widow or Widower may not, however, do this with any Survivor's pension bought with the Member's Protected Rights Fund (as described in Rule 9.2).

9.7 **Protected Rights Fund - lump sum instead of small pension.** If there is a surviving Protected Widow or Widower and the pension from the Member's Protected Rights Fund would not be more than £260 per annum (or such greater amount as may be prescribed by regulations made under section 28 of the Pension Schemes Act and is permitted by the Inland Revenue) the Scheme Administrator may pay the cash value of the Protected Rights as a lump sum instead. The Scheme Administrator may not do so if the Member had other rights under the Scheme (ie from all Arrangements) when the Member died which are not being satisfied by a lump sum, or if the Inland Revenue limits would otherwise be infringed.

9.8 **Duration of child's pension.** A pension payable to a person who is a Dependant solely because that person is under age 18 when the Member dies must stop when the Dependant reaches age 18, except that it may (but need not) continue after that age for so long as the Dependant stays in full-time educational or vocational training.

9.9 **Duration of Protected Widow's or Widower's pension.** The pension bought with a Member's Protected Rights Fund will continue until the death of the Protected Widow or Widower unless provision is made for it to stop:-

> **either** if the Protected Widow or Widower remarries before reaching State Pensionable Age
>
> **or** if, before the Protected Widow or Widower reaches age 45, the situation changes

Administrator must, as soon as practicable and subject to Rule 9.16, pay the value of the Member's Protected Rights Fund in accordance with any direction given by the Member in writing, or to the Member's estate. If any pension is paid under Rule 9.1, the Member's Protected Rights Fund must be used to buy Survivors' pensions. Such pensions may (but need not) be on terms that they will be paid for any period not exceeding 10 years.

9.15 **Non-Protected Rights Fund - lump sum.** Subject to Rule 13.5, if a Member dies and no Survivor's pension has become payable under Rules 9.1 or 9.2, then the Scheme Administrator may, as soon as practicable and subject to Rule 9.16, pay out the Member's Fund (other than any Protected Rights Fund) as a lump sum:-

(1) in accordance with any specific provision regarding payment of such sums under the contract(s) applying to the Arrangements in question; or

(2) if (1) is not applicable and at the time of the Member's death the Scheme Administrator is satisfied that the contract is subject to a valid trust under which no beneficial interest in a benefit can be payable to the Member, the Member's estate or the Member's legal personal representatives, to the trustees of the trust; or

(3) if (1) and (2) are not applicable, at the discretion of the Scheme Administrator, to or for the benefit of any one or more of the following in such proportions as the Scheme Administrator decides:-

   (a) any persons (including trustees) whose names the Member has notified to the Scheme Administrator in writing;

   (b) the Member's surviving spouse, children and remoter issue;

   (c) the Member's Dependants;

   (d) the individuals entitled under the Member's will to any interest in the Member's estate;

   (e) the Member's legal personal representatives.

For this purpose a relationship acquired by legal adoption is as valid as a blood relationship.

9.16 **Lump sum payable by Scheme Administrator - time limit.** The Scheme Administrator will pay any lump sum within 2 years of the Member's death. If this is not practicable then, at the end of 2 years, it will be transferred to a separate account outside the Scheme until it can be paid.

9.17 **Pension deferral.** The purchase of any Survivor's pension under Rules 9.1 or 9.2 (other than from the Protected Rights Fund) may be deferred at the written option of the Survivor unless he or she has attained the age of 75 or has made an election under Rule 9.6. Subject to Rules 9.8 and 9.10, the Survivor shall notify the Scheme Administrator in writing when he or she wishes the deferral to end, providing at least one month's notice. The pension must be purchased before the earlier of the Member's 75th birthday and the Survivor's 75th birthday.

(b) the Member's surviving spouse, children and remoter issue;

(c) the Member's Dependants;

(d) the individuals entitled under the Member's will to any interest in the Member's estate;

(e) the Member's legal personal representatives.

For this purpose a relationship acquired by legal adoption is as valid as a blood relationship.

## 11. MEMBER WITH PROTECTED RIGHTS FUND DIES AFTER PENSION STARTS BUT BEFORE STATE PENSIONABLE AGE

If a Member has a Protected Rights Fund, and dies after any other benefit starts but before State Pensionable Age, then the benefit on the Member's death will be as follows:-

(1) Rule 9 will apply to the Protected Rights Fund as if the Member had died before the benefit had started. Consequently, where the conditions described in Rule 9.14 apply and no part of the Member's Fund containing Protected Rights is to be used to pay a Survivor's pension, the Member's Protected Rights Fund must be paid as a lump sum;

(2) any other benefits will be as described in Rule 8.

## 12. TRANSFER OUT OF THE SCHEME

12.1 **Member's right to a cash equivalent.** A Member has a right to a cash equivalent under the provisions of Part IV Chapter IV of the Pension Schemes Act.

If a Member elects to apply for a cash equivalent, then <u>all</u> the Member's accrued rights in <u>all</u> Arrangements under the Scheme must be transferred, subject to special conditions for Protected Rights.

12.2 **Transfer payments.** In the absence of an election to apply for a cash equivalent under Rule 12.1, the Scheme Administrator may, nevertheless, at the written request of a Member transfer the Member's Fund, or that part of it which excludes Protected Rights, to another scheme of which he or she has become a member. Where Protected Rights are to be transferred, the whole of the Member's Protected Rights Fund under the Scheme must be transferred subject to the special conditions for Protected Rights set out in Rules 12.5 and 12.7. If Protected Rights are to be transferred from an Arrangement which also contains Non-Protected Rights, then the latter must also be transferred.

The Member's Fund may be transferred to:-

(1) another Approved Personal Pension Scheme;

(2) an occupational pension scheme approved under Chapter I of Part XIV of the Act to which the Member's Employer contributes or has contributed;

(3) a relevant statutory scheme as described in section 611A of the Act;

(4) **Occupational pension schemes other than schemes which are or were Contracted-out by the money purchase test**

The receiving scheme must provide the Member and the Member's widow or widower with Guaranteed Minimum Pensions equal to those to which they would have been treated as entitled by reason of the Member's membership of the Scheme if the transfer payment had not been made.

The transfer must have been made on or after 6 April 1990.

(5) **Schemes which have ceased to be Contracted-out and are under the supervision of the Occupational Pensions Board**

No transfer payment may be made to such a scheme without the approval of the Occupational Pensions Board, who may impose any conditions they consider appropriate.

(6) **Overseas occupational pension schemes not covered by (2), (4) or (5)**

The Member must have entered employment outside the United Kingdom to which the receiving scheme applies, or be a former member of the receiving scheme.

No transfer payment may be made to such a scheme without the approval of the Occupational Pensions Board, who may impose any conditions they consider appropriate.

12.6 **Discharge of rights.** Entitlement to benefit under the Scheme for or in respect of the Member will cease in respect of any rights transferred in accordance with this Rule and the Provider and the Scheme Administrator will be discharged from any obligation to provide benefits in respect of those rights.

12.7 **Multiple transfers.** A Member may elect under this Rule for different parts of the Member's Fund(s) to be transferred as described above to different schemes.

## 13. TRANSFER INTO THE SCHEME

13.1 **Transferring scheme.** The Scheme Administrator may, at the written request of a Member, accept a transfer payment representing the value of the Member's rights under:-

(1) another Approved Personal Pension Scheme;

(2) an occupational pension scheme approved, or being considered for approval, under Chapter I of Part XIV of the Act;

(3) a deferred annuity contract providing benefits arising out of previous membership of an occupational pension scheme as described above (ie a "buy-out policy" or "section 32 policy" as described in section 591(2)(g) of the Act, or a policy assigned to the Member in the terms of section 431(4)(b) of the Act);

(4) a retirement annuity contract or trust scheme approved under Chapter III of Part XIV of the Act;

13.5 **Lump sum restriction on death.** If the Member dies before the pension starts the Scheme Administrator must use any part of the Member's Fund which derives from a transfer payment from a source of the sort described in Rules 13.1(2),(3),(5) or (6) either:-

(a) by using it wholly to buy Survivors' pensions as described in Rule 9; or

(b) by paying up to 25% (one quarter) of it as a lump sum in the way described in Rule 9.15, and by using the rest of it to buy Survivors' pensions as described in Rule 9. If there is no surviving widow or widower and there is no Dependant to whom a pension has become payable, the whole may be paid as a lump sum. But Rule 9.14 overrides this Rule 13.5. In any case where Rule 9.14 applies, the Protected Rights Fund must always be used in the way described in Rule 9.14.

## 14. GENERAL PROVISIONS ABOUT BENEFITS

14.1 **Rights under the Scheme.** A person's rights under the Scheme are only those given under the Scheme Documents or by any insurance or pension contract bought with the Member's Fund.

14.2 **Assignment.** Rights to a lump sum retirement benefit under the Scheme may not be assigned or surrendered.

No pension secured with a Member's Fund may be assigned or surrendered. The only exception is that a pension which continues to a person's estate after his or her death may be assigned by his or her will, or by his or her personal representatives in distributing his or her estate, for any of the following reasons:-

(1) to give effect to his or her will; or

(2) to give effect to the rights of those entitled on his or her intestacy; or

(3) to appropriate it to a legacy or to a share or interest in the estate.

Furthermore, by statute, every assignment of Protected Rights or payments giving effect to them is void. So is any charge on them, and also any agreement to assign or charge them.

14.3 **Beneficiary unable to act.** If the Scheme Administrator believes that a person entitled to payments is unable to act by reason of mental disorder or otherwise, the Scheme Administrator may arrange that payments, instead of being made to that person, will be made for the maintenance of that person and/or any of that person's Dependants. If any payments are not so made, they (and any proceeds) must be held for the person concerned until that person is again able to act. If that person dies without becoming able to act, payment must be made to that person's estate. Any payment made in accordance with this provision will discharge the Provider and the Scheme Administrator from any obligation to provide the benefits to which it relates.

14.4 **Prison.** If a person entitled to benefit is serving a period of imprisonment or detention in legal custody, payments which are or become due to that person from a Member's Protected Rights Fund or payments of a benefit secured with that Fund may be suspended. The value of the suspended payments must then be used for the maintenance of one or more of that person's Dependants.

(b) under a deed poll; or

(c) under Scottish law.

## 16. PROVIDER AND SCHEME ADMINISTRATOR

16.1 **Provider.** The name of the Provider is set out in the Appendix at the end of these Rules. The Provider is a person permitted by section 632 of the Act to establish a personal pension scheme. If the Provider ceases to be such a person, the Scheme Administrator must immediately inform the Inland Revenue.

16.2 **Scheme Administrator.** The Provider has appointed as first Scheme Administrator the person named in the Appendix at the end of these Rules. The Provider may by notice remove the Scheme Administrator provided that at the same time it appoints another.

The Scheme Administrator is responsible for discharging the duties imposed by these Rules and by the Act. The Scheme Administrator must be a person resident in the United Kingdom. If the Provider is resident in the United Kingdom, the Provider may be appointed as the Scheme Administrator.

## 17. CLOSING OR WINDING-UP THE SCHEME

17.1 **Closing the Scheme.** The Provider may at any time:-

(1) stop admitting new members to the Scheme, but continue to accept contributions from, and in respect of, existing Members; or

(2) stop admitting new members to the Scheme and stop accepting contributions from, and in respect of, existing Members.

If the Scheme is closed, the Scheme Administrator must continue to operate the Scheme under the Scheme Documents, unless the Provider is winding-up the Scheme. Where (2) above applies, the Scheme Administrator must notify each Member of his or her rights and options under the Personal Pension Schemes (Disclosure of Information) Regulations 1987.

17.2 **Winding-up the Scheme.** The Provider may wind-up the Scheme by giving notice to the Scheme Administrator. The Scheme Administrator must then notify each Member of his or her rights and options under the Personal Pension Schemes (Disclosure of Information) Regulations 1987. This notification must include notice of the Member's rights to a transfer under Rule 12.

When a Member does not make a choice under Rule 12, the Scheme Administrator must transfer the Member's Fund, excluding the Protected Rights Fund, to another Approved Personal Pension Scheme of the Scheme Administrator's choice. The Member's consent will not be necessary. When the Member has a Protected Rights Fund, Rule 19 also applies.

## 18. WITHDRAWAL OF REVENUE APPROVAL

18.1 **Withdrawal of approval of Scheme.** If the Inland Revenue withdraw approval of the Scheme under the Act, the Scheme Administrator will inform the Members within 3 months of the date of receipt of the notice of withdrawal unless the Scheme Administrator appeals. If an appeal is made, the Scheme Administrator will inform the Members within 3 months of the date of receipt of the notice that the Special Commissioners have dismissed the

20.4 **Further conditions.** The Fund Manager shall not hold directly, as an investment, residential property or land connected with such a property, or personal chattels capable in any way of private use. This provision shall not, subject to Rule 20.3, apply to commercial land and property. The Fund Manager may lease any commercial property to any business or partnership connected with a Member but the Fund Manager must ensure that the lease, including the rent payable, is on commercial terms as determined by a professional valuation.

20.5 **Connected transactions.** For the purposes of Rules 20.2 to 20.4, a person is connected with a Member if that person falls within the definition of "connected persons" in section 839 of the Act. The Scheme Administrator shall ensure that any transaction falling within the provisions of these Rules is not one with a connected person, save where permitted by Rule 20.4. Also, a transaction need not be regarded as being with a Member or a connected person if it relates wholly to pooled funds which are genuinely open to any member of the public, which are clearly described in the Provider's literature and disclosure documents as being standard funds open to all, where the investment management is undertaken by the Provider with no direction or influence by members and where a common value is applied across the membership with no segregation or linking of particular assets to particular members.

20.6 **Transactions completed before 1 November 1989.** The provisions of Rules 20.2 to 20.5 shall not apply to any transactions which fall within those provisions but which were completed before 1 November 1989.

## 21. ALTERATIONS TO THESE RULES

21.1 **Inland Revenue consent.** No alteration may be made to any of these Rules without the consent of the Inland Revenue. This applies whether the alteration is made under Rule 21.3 or under any other power of alteration in the Scheme Documents.

21.2 **Occupational Pensions Board (OPB) consent.** No alteration which affects matters dealt with in the Pension Schemes Act may be made to any of these Rules without the consent of the OPB. This applies whether the alteration is made under Rule 21.3 or under any other power of alteration in relation to the Scheme. This restriction will only apply, however, so long as anyone has Protected Rights under the Scheme or the Scheme has a current appropriate scheme certificate.

21.3 **Power to alter these Rules.** The Scheme Administrator may at any time in writing make any alteration to these Rules which is necessary to ensure that the Scheme retains its appropriate scheme certificate or which is necessary to ensure that the Scheme retains its approval under Chapter IV of Part XIV of the Act. This power of alteration may be exercised by the Scheme Administrator alone and without any conditions except the ones in Rules 21.1 and 21.2. It is additional to, and independent of, any other power of alteration in relation to the Scheme.

21.4 **Alteration of an Arrangement.** No Arrangement may be amended in a way which could prejudice the Inland Revenue approval of the Scheme or of the Arrangement.