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**DEFINITIVE TRUST DEED  
RELATING TO THE  
PROJECT FRAMING LTD SSAS FUND**

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The Deed	1
Schedule 1 - The Rules	21
Schedule 2 - Definitions	37
Schedule 3 - Inland Revenue Definitions and Requirements	44

## THE DEED



		Page
1	DEFINITIONS AND INTERPRETATION	1
2	ESTABLISHMENT	2
3	APPOINTMENT AND REMOVAL OF ADVISERS	2
4	APPOINTMENT AND REMOVAL OF TRUSTEES	2
5	TRUSTEES' MEETINGS	3
6	TRUSTEES' DUTIES	4
7	TRUSTEES' POWERS	5
8	PROTECTION OF TRUSTEES	6
9	LIMITATION AND EXTENSION OF PROTECTION	7
10	TRUSTEES' REMUNERATION	7
11	PARTICIPATING EMPLOYERS	7
12	SUBSTITUTION OF PRINCIPAL EMPLOYER	8
13	COSTS AND EXPENSES	8
14	CONTROL OF THE FUND	9
15	INVESTMENT OF THE FUND	9
16	RESTRICTIONS ON INVESTMENT	10
17	TRUSTEES' BORROWING POWERS	14
18	ACTUARIAL VALUATIONS	14
19	AMENDMENT	14
20	AMALGAMATION AND RECONSTRUCTION	15
21	PARTIAL WIND-UP	15
22	FULL WIND-UP	16

23	DISSOLUTION	16
24	SECURING BENEFITS	17
25	SPECIAL POWERS	17
26	INSOLVENCY OF PRINCIPAL EMPLOYER	18
27	NOTICES	18
28	DETERMINATION OF QUESTIONS	18
29	GOVERNING LAW	18

## THE RULES



	Page
1 ELIGIBILITY	22
2 ADMISSION TO MEMBERSHIP	22
3 CESSATION OF MEMBERSHIP	23
4 MEMBERS' NORMAL CONTRIBUTIONS	23
5 MEMBER AVCs	24
6 EMPLOYERS' CONTRIBUTIONS	24
7 NORMAL RETIREMENT	25
8 LATE RETIREMENT	25
9 EARLY RETIREMENT	25
10 SECURING OF PENSIONS BY ANNUITIES	26
11 PAYMENT OF BENEFITS	28
12 WITHDRAWAL	28
13 AUGMENTATION	29
14 REVALUATION	29
15 LUMP SUM BENEFITS	29
16 CONVERSION	30
17 EVIDENCE OF DEATH	30
18 DEATH BENEFITS	31
19 INDIVIDUAL TRANSFERS OUT	32
20 BULK TRANSFERS OUT	32
21 TRANSFERS IN	33
22 ALTERNATIVE TO SHORT SERVICE BENEFIT	33

23	DISCLOSURE OF INFORMATION	33
24	BAR ON ASSIGNMENT	33
25	TAX LIABILITY AND OVER-PAYMENTS	34
26	DETERMINATION OF EMPLOYMENT	34
27	FAILURE TO CLAIM BENEFITS	34
28	FORFEITURE	34

## THE DEFINITIONS



### DEFINITIONS

37



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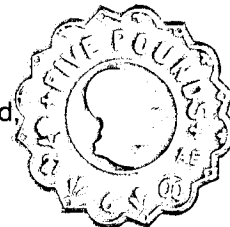
PSO Ref: SF047/0082/000753/2/C

DATED:

20th June 2000

**PARTIES:**

- 1 **PROJECT FRAMING LTD** (Company Number 2730976) of 112 Power Road, Chiswick, London, W4 5PN.
- 2 **LINDY DIANE BREMNER** and **RUSSELL BREMNER** both of 10 Mina Avenue, Langley, Berkshire, SL3 7BY.
- 3 **NPI TRUSTEE SERVICES LIMITED** (Company Number 1895689) whose registered office is at National Provident House, 55 Calverley Road, Tunbridge Wells, Kent TN1 2UE.



**INTRODUCTION:**

- 1 The Scheme is currently governed by the Existing Provisions.
- 2 The Member Trustees and NPI Trustee Services Limited are the present Trustees of the Scheme. The Principal Employer is the Schemes sponsoring employer.
- 3 This document constitutes the Definitive Trust Deed and Rules for the Scheme.

**OPERATIVE PROVISIONS:**

**1 DEFINITIONS AND INTERPRETATION**

- 1.1 The various attached Schedules all form part of this Deed.
- 1.2 Unless the context requires otherwise, words and expressions used in this Deed have the meaning assigned to them in Schedule 2.
- 1.3 Unless the context requires otherwise any reference to a clause, rule or schedule is to the relevant provision of this Deed.
- 1.4 The headings to this Deed have been inserted for ease of reference only. They are not to affect its construction or interpretation.
- 1.5 Words in the singular include the plural and vice versa.
- 1.6 Words in the masculine gender include the feminine and vice versa unless the context otherwise requires.
- 1.7 Any reference to a statute, statutory instrument or other legislative provision includes any amendment or re-enactment of it for the time being in force and any regulations made under it. Any reference to a particular section or part of a statute or statutory instrument will be read to include reference to any other relevant section or part of the statute or statutory instrument.

## **2 ESTABLISHMENT**

- 2.1 The establishment of the Scheme from the Commencement Date is confirmed.
- 2.2 The provision of this Deed takes effect from the Commencement Date.
- 2.3 Nothing in this Deed invalidates any prior act, omission or exercise of any power, discretion or right pursuant to the Scheme's Existing Provisions.
- 2.4 The Scheme will be wound up in accordance with the Scheme Documents no later than eighty years after the Commencement Date unless it can be lawfully continued.
- 2.5 To the extent the execution of this Deed would constitute the exercise of a power to modify the Scheme which would require

2.5.1 the consent requirements

2.5.2 the certification requirements

to be met pursuant to Section 67 of the Pensions Act the Trustees who are Members by their execution of this Deed indicate their consent to such modification as Members in accordance with Section 67 of the Pensions Act. For the purposes of this clause 2.5 the terms "consent requirements" "certification requirements" and "Member" have the meaning given to them for the purposes of Section 67 of the Pensions Act.

## **3 APPOINTMENT AND REMOVAL OF ADVISERS**

- 3.1 The Member Trustees will (if so required by Section 47 of the Pensions Act) appoint the following: -
- 3.1.1 an Auditor
- 3.1.2 one or more Custodians
- 3.1.3 their legal advisers.
- 3.2 Any person or firm appointed under Clause 3.1 will be appointed to carry out any functions prescribed for them by the Pensions Act. In addition the Member Trustees may instruct them to carry out such further work in connection with the Scheme as they think appropriate.
- 3.3 In addition to any appointments they are required to make under Clause 3.1 the Member Trustees may appoint such persons or firms to assist them (including actuaries, auditors, administrators, solicitors, brokers, medical practitioners and investment managers) as they think appropriate.
- 3.4 Provided they comply with any relevant requirements of Section 47 of the Pensions Act any appointment made pursuant to this Clause will be on such terms (including remuneration) as the Member Trustees see fit.
- 3.5 The power to remove, replace and/or vary the terms of the appointment made under this Clause will lie with the Member Trustees.

## **4 APPOINTMENT AND REMOVAL OF TRUSTEES**

- 4.1 There are to be no fewer than two Trustees unless the provisions of the Trustee Act 1925 necessitates the appointment of an additional Trustee for the purpose of holding assets or if the Pensioner Trustee is willing to operate alone the provisions of the Scheme that apply to Member Trustees.

- 4.2 A corporate body may act as a Trustee whether or not it is a Trust Corporation or has been preceded in office by more than one Trustee.
- 4.3 Where a corporate body acts as a Trustee its powers, duties, authorities and discretions are to be exercisable either by its board of directors or by any one or more of its duly authorised officers.
- 4.4 Subject to Schedule 3 of this Deed the Principal Employer, with the consent of the Pensioneer Trustee, may appoint or remove any Trustee. Such an appointment or removal will be done by deed executed by the Principal Employer and in the case of an appointment the Trustees including the new trustee and in the case of a removal the remaining Trustees.
- 4.5 Section 39(1) of the Trustee Act 1925 will not apply in relation to the Pensioneer Trustee.
- 4.6 The Pensioneer Trustee may by deed appoint a new trustee to act as Pensioneer Trustee in its place. Any costs so incurred shall be payable in accordance with Clause 13.
- 4.7 Where the Pensioneer Trustee wishes to cease to act as such, but is unable to procure his removal or replacement in accordance with Clause 4.4 or 4.6; or
- 4.7.1 the Pensioneer Trustee shall be entitled to recover out of the assets of the Scheme all fees, costs and expenses incurred in connection with the Scheme (including for the avoidance of doubt any incurred in accordance with this Clause 4) without the consent of the Member Trustees or of any other person;
  - 4.7.2 the Pensioneer Trustee shall be entitled to operate alone any bank, building society or similar account on behalf of the Trustees and the Member Trustees hereby irrevocably authorise and appoint the Pensioneer Trustee for this purpose;
  - 4.7.3 the Pensioneer Trustee shall be entitled to apply to the court for an order for his removal.
- 4.8 A Member Trustee may retire at any time by giving written notice to the Principal Employer and the other Trustees. The Member Trustee will then immediately cease to hold office and will be discharged even if this would result in the number of remaining Trustees being less than the minimum stated in Clause 4.1.
- 4.9 A departing Trustee will execute such documents and take such further action as may reasonably be required by the Principal Employer and the other Trustees to implement his retirement or removal. Should he fail to do so the remaining Trustees may execute such documents and act on his behalf as his attorney. Each of the Trustees irrevocably authorises and appoints their co-trustees as such for this purpose.

## **5 TRUSTEES' MEETINGS**

- 5.1 If at any time there is only one Member Trustee that Member Trustee shall have power to operate the powers, duties and discretions of the Member Trustees under the Scheme in such manner as he sees fit even if the relevant Clause or Rule of this Deed and the Rules then in force would require the operation of that power, duty or discretion by two or more Member Trustees.
- 5.2 Reasonable notice is to be given to the Trustees of any forthcoming meeting. In this respect due regard is to be given to the urgency or otherwise of any business to be discussed.
- 5.3 Whenever practicable: -

- 5.3.1 the notice should specify, unless the Trustees agree otherwise, or not required by the Pensions Act, the date, the time and place of the meeting and the matters to be discussed
- 5.3.2 the meetings should be held at a time and venue reasonably convenient to all the Trustees
- 5.3.3 unless the Trustees agree otherwise, or not required by the Pensions Act, the notice should be sent to the last known address of each Trustee no later than 10 days before the meeting.
- 5.4 As soon as reasonably possible after a meeting minutes of the matters discussed and decisions made are to be circulated to all the Trustees. The records are to comply with any relevant requirements of Section 49 of the Pensions Act as to their form and content.
- 5.5 The Member Trustees may appoint a Secretary who is to have primary responsibility for co-ordinating the matters referred to in Clauses 5.2, 5.3 and 5.4. This is not however to prevent any Trustee from convening a meeting in accordance with the above procedures should he consider this appropriate.
- 5.6 The Member Trustees may also appoint from among their number a Chairman (who for the avoidance of doubt may also be the Secretary). If they are equally divided on the appointment of a Chairman, he will be chosen by lot. If for any reason the Chairman is unable to attend a validly convened meeting then the Member Trustees may appoint another of their number to act in his place at that meeting only.
- 5.7 Subject to Clause 5.6 the Chairman and the Secretary will each hold office until the earlier of the date upon which: -
  - 5.7.1 he resigns such office
  - 5.7.2 he resigns, is removed or otherwise ceases to act as a Member Trustee
  - 5.7.3 the Trustees resolve otherwise.
- 5.8 The quorum for a meeting of the Member Trustees is to be all the Member Trustees.
- 5.9 All decisions at Trustees' meetings must be unanimous between the Member Trustees. Any decision connected with the termination or winding-up of the Scheme must be unanimous between the Member Trustees and the Pensioner Trustee.
- 5.10 Any resolution signed by each of the Member Trustees will be binding and effective as if it had been passed at a Member Trustees' meeting. The resolution may be passed by the signature of copies whether or not on the same date.
- 5.11 A Member Trustee (or an officer or employee of a corporate trustee) may retain for his own account any benefits relating to his membership of the Scheme. He may, if he wishes participate in the discussion and vote on any resolution which may affect any such benefits or in which he otherwise has a personal interest.

## **6 TRUSTEES' DUTIES**

- 6.1 In addition to any duties which may exist at law the Trustees will: -
  - 6.1.1 manage the Scheme and (subject to Clause 6.2) act as its Administrator for the purposes of the 1988 Act
  - 6.1.2 pay out of the Fund the Relevant Benefits

- 6.1.3 keep proper records and accounts for the Scheme and if so required by the Pensions Act or if the Member Trustees so decide submit these (together with a supporting balance sheet) to the Auditor following the end of each Scheme Year
- 6.1.4 prepare and sign a report on the Scheme accounts which together with any Auditor's report is to be open for inspection by the Beneficiaries and any officer of the Principal Employer
- 6.1.5 provide any advisers with such information as the Member Trustees are required to provide under the Pensions Act and take all reasonable steps to enable the Auditor to comply with any duties he may have under the Pensions Act.
- 6.2 The Trustees may appoint an individual or corporate body to act as Administrator in which event the provisions of Clause 3 will apply.
- 6.3 The Pensioner Trustee has been appointed to satisfy the requirements of the Board and to obtain and maintain Approval and to perform any statutory or legislative duties and obligations or exercise any powers set out for the Pensioner Trustee in this Deed or in any legislation, or as required by the Board.
- 6.4 The duties and obligations of the Pensioner Trustee are limited to those set out in the Scheme Documents as applying solely to the Pensioner Trustee and any other duties and obligations applying to any trustee in law. The Member Trustees and the Employers acknowledge that the Pensioner Trustee may be required to make reports relating to the Scheme to the Board. No duty (whether owed to the Member Trustees, the Beneficiaries, the Employers or otherwise) to which the Pensioner Trustee is subject shall be regarded as contravened merely because of any information or opinion contained in such a report.

## **7 TRUSTEES' POWERS**

- 7.1 Subject to Section 34 of the Pensions Act (to the extent it applies) and any other specific provisions of the Scheme Documents the Member Trustees may by unanimous decision in writing delegate (and/or authorise the sub-delegation of) any of their duties, powers and discretions as they see fit, and on such terms and conditions as they see fit. They may at any time revoke any delegation (and/or sub-delegation).
- 7.2 Such delegation (and/or sub-delegation) may be made to: -
  - 7.2.1 a committee consisting of any one or more of the Member Trustees
  - 7.2.2 such other person or corporate body (including any one or more of the Employers) as the Member Trustees determine
  - 7.2.3 an investment manager in relation to the Member Trustees powers of investment.
- 7.3 The Member Trustees may appoint any one or more agents to transact any business of the Scheme in which event the provisions of Clause 3 will apply.
- 7.4 Agents may include any employees or officers of the Member Trustees and/or of the Employers.
- 7.5 Subject to Clause 16 and any other requirements of the Board the Trustees may enter into any transaction involving the Fund with any Employer or the trustees of any trust. Such transaction will be valid irrespective of whether the directors of any such Employer or trustees of any such trust are one or more of the Member Trustees, provided that Approval is not prejudiced by this transaction.
- 7.6 Anyone dealing in good faith with the Trustees will be under no duty to enquire into the application of any money or asset paid or transferred by him to the Trustees.

- 7.7 The Trustees will have power to insure any or all of the assets of the Fund against such risks and for such amounts as they determine appropriate. Subject to Section 31 of the Pensions Act they may also effect insurance against any personal liability relating to their office or any liability of the Scheme for such amounts as they determine appropriate.
- 7.8 The Trustees will hold any proceeds of insurance on trust with power to apply part or all, to repair, replace or maintain the asset in question (subject to the provisions of Section 31 of the Pensions Act) or to indemnify themselves or the Scheme against any claims. They may exercise this power as if they were the absolute owner of the Fund unrestricted by law whether statutory or otherwise.
- 7.9 Subject to Section 31 of the Pensions Act, the cost of effecting insurance is to be paid in accordance with Clause 13.
- 7.10 The Member Trustees may open any one or more accounts with a bank, building society, finance company or other financial institution. They may make such arrangements as they see fit from time to time regarding the operation of any such account. These arrangements must provide that at all times, the Pensioner Trustee will be a signatory to any such account.

## **8 PROTECTION OF TRUSTEES**

- 8.1 No Trustees will incur liability for: -
- 8.1.1 the exercise or failure to exercise any power or discretion
  - 8.1.2 the performance of his duties as a trustee of the Scheme
  - 8.1.3 the acts and omissions either of co-Trustees, agents, delegates or other advisers to the Scheme.
- 8.2 The Employers (on a joint and several basis) will indemnify each and all of the Trustees against any costs, claims, demands, expenses, proceedings and liabilities arising from any matter referred to in Clause 8.1.
- 8.3 Should the Employers fail to indemnify them the Trustees will (unless it is prohibited under Section 31 of the Pensions Act) be entitled to be indemnified from the Fund.
- 8.4 The Trustees will be entitled to rely upon any advice or recommendations given by the advisers to the Scheme and will incur no personal liability in doing so.
- 8.5 The Trustees will not be accountable for any payment they may make under this Deed: -
- 8.5.1 to a minor direct, or to his parent or guardian or other person with whom he is living, or
  - 8.5.2 to any person who the Trustees believe to be a Spouse, even if it subsequently transpires the person is not a Spouse, or
  - 8.5.3 to any institution or individual who the Trustees believe to be responsible for the care of a Beneficiary.
- 8.6 The Trustees will not be obliged to bring, pursue or defend any legal proceedings in relation to the Scheme except if they so decide, or if required to do so by the Board.

- 8.7 The provisions of this Clause apply in addition to any further protection afforded to the Trustees by statute, common law or otherwise but are subject to the limitations set out in Clause 9.

## **9 LIMITATION AND EXTENSION OF PROTECTION**

- 9.1 The provisions of Clause 8: -

9.1.1 will not protect a Trustee in relation to any breach of trust arising out of fraud or deliberate disregard of the interests of the Beneficiaries knowingly and intentionally committed by him

9.1.2 are subject to Section 33 of the Pension Act which may restrict or prevent the exclusion of personal liability on the part of the Trustee.

- 9.2 If the inclusion of any words in Clause 8 and in this Clause 9 would at law render ineffective the protection of any Trustee then the Clause is to be read with such words omitted.

- 9.3 The provisions of this Clause 8 and Clause 9 will apply also to:-

9.3.1 all officers and employees of a corporate Trustee

9.3.2 trustees of the Scheme who no longer hold office.

## **10 TRUSTEES' REMUNERATION**

- 10.1 Any Trustee engaged in a profession or business will be entitled to be paid all proper expenses, charges and commissions for work carried out in connection with the Scheme by him or any firm/company to which he belongs or by which he is employed.

- 10.2 Any Trustee not engaged in a profession or business may be paid such expenses and remuneration as may be agreed by the Principal Employer.

- 10.3 The provisions of this Clause apply similarly to any officer or employee of a corporate Trustee.

- 10.4 Without prejudice to the generality of Clause 10.1, if the Pensioner Trustee, or any professional adviser with which it is connected, is consulted by the Member Trustees with regard to investment advice, the party providing such advice may charge a reasonable fee for such advice and may retain any reasonable commissions received as a result of any investment made by the Member Trustees.

- 10.5 All sums due pursuant to this Clause are to be paid in accordance with the provisions of Clause 13.

## **11 PARTICIPATING EMPLOYERS**

- 11.1 The Principal Employer with the consent of the Member Trustees, may allow a company, firm or person associated with it to become an Employer.

- 11.2 However, before consenting to an Employer participating in the Scheme the Member Trustees must first obtain the written advice of the Pensioner Trustee as to whether the proposed participation would prejudice approval. No company, firm or person is to be allowed to become or continue as an Employer if its participation would prejudice Approval. In such circumstances the Employer will automatically cease to participate.



- 11.3 Any new Employer is to enter into a deed of adherence with the Principal Employer and the Trustees. This will contain a covenant on the Employer's part to observe and perform the relevant provisions of the Scheme Documents (and is to be in such form as the Trustees may reasonably prescribe). Participation will take effect from the date of the deed of adherence unless stated otherwise.
- 11.4 The Employers are to supply to the Trustees and the Member Trustees' advisers such information as they are required to provide pursuant to the Pensions Act. In addition the Employers are to supply to the Trustees such further information as the Trustees may reasonably require for the administration of the Scheme.
- 11.5 In addition the Member Trustees will have the right on request: -
- 11.5.1 to have reasonable access to any records relevant to such administration which are in the custody or control of the Employers
- 11.5.2 to take copies of those records free of charge.

## **12 SUBSTITUTION OF PRINCIPAL EMPLOYER**

- 12.1 The provisions of this Clause will apply in the following circumstances: -
- 12.1.1 if an order or resolution is passed for the winding-up of the Principal Employer, for the purposes of reconstruction; or
- 12.1.2 if the Principal Employer amalgamates with another corporation; or
- 12.1.3 if the Principal Employer has ceased to contribute to the Scheme.
- 12.2 In such circumstances, and provided that the Principal Employer does not go into liquidation without a successor, the Trustees may in their discretion permit the continuation of the Scheme.
- 12.3 Such continuation may be made in connection with the reconstructed or amalgamated Principal Employer or any other company, firm or person carrying on business in succession to the Principal Employer. Such company, firm or person will then take over the role of the Principal Employer under the Scheme.
- 12.4 The new Principal Employer is to enter into a deed of novation with the Trustees. This will contain a covenant on its part to observe and perform the relevant provisions of the Scheme Documents and is to be in such form as the Trustees may reasonably prescribe.

## **13 COSTS AND EXPENSES**

- 13.1 The costs and expenses of establishing the Scheme are to be paid by the Principal Employer.
- 13.2 The costs and expenses of managing and administering the Scheme are to be paid by the Fund unless the Principal Employer determines they are to be met by the Employers.
- 13.3 In such circumstances each Employer is to pay such proportion of those costs and expenses as the Principal Employer and the Member Trustees may agree. In default of such agreement they are all to be borne by the Principal Employer.
- 13.4 To the extent any of the Employers and/or the Principal Employer defaults in paying the costs and expenses the Trustees may recoup the same from the Fund, on such basis as the Trustees decide.

- 13.5 For the avoidance of doubt the costs and expenses will include any incurred by the Trustees pursuant to Clauses 3, 4, 6, 7, 10, 14 and 15 or otherwise in performance of their duties or the exercise of their powers and discretions.

## **14 CONTROL OF THE FUND**

- 14.1 The Fund will be vested in the Trustees as joint tenants and held by them upon irrevocable trusts in accordance with the terms of the Scheme Documents.
- 14.2 All monies and assets received by the Trustees for the purposes of the Scheme will be paid or transferred into the Fund. They may be retained in the Fund or sold if and when the Trustees decide appropriate.
- 14.3 All benefits due under the provisions of the Scheme will be paid in accordance with Rule 7. The Trustees will have power to sell or realise any Fund assets for this purpose.
- 14.4 The Member Trustees (in consultation with the Advising Actuary) may nominally allocate assets from the Fund for such purposes as they decide, that will not prejudice Approval.

## **15 INVESTMENT OF THE FUND**

- 15.1 The Member Trustees will give prior notification to the Pensioner Trustee as soon as reasonably practicable of any proposed acquisition or disposal of any Investment.
- 15.2 The Pensioner Trustee is to give the Member Trustees advice as to whether the proposed investment could prejudice Approval as soon as reasonably practicable after receiving the request to do so. In providing this advice, the Pensioner Trustee is entitled to rely on the accuracy of the information provided by the Member Trustees. At the same time, the Pensioner Trustee is to advise the Member Trustees of any investments currently held by the fund, retention of which could prejudice Approval.
- 15.3 Before any investment is made each of the Members, Deferred Pensioners, Postponed Pensioners and Pensioners will agree in writing to the making of that investment unless the Member Trustees have delegated all or any of their powers of investment pursuant to Clause 7.
- 15.4 No investment of the resources of the Scheme may be made in any Employer-Related Investment unless each Member, Deferred Pensioner, Postponed Pensioner and Pensioner agrees in writing to the making of that investment.
- 15.5 If the Member Trustees have followed the above provisions of Clauses 15.1, 15.2 and 15.3 they may exercise their powers of investment in any way they choose. In such event, the Pensioner Trustee will have no liability to any party for any loss arising out of non-Approval or withdrawal of Approval whether caused directly or indirectly by any investment not endorsed by the Pensioner Trustee.
- 15.6 Subject to Clause 16 the Member Trustees may make investments in any of the Employers. For this purpose, investment includes any dealings in shares, securities, assets or land or the entering into of any loan, guarantee, indemnity or agreement.
- 15.7 Investments may be made within or outside the United Kingdom whether or not: -
- 15.7.1 involving liability
  - 15.7.2 producing income
  - 15.7.3 authorised by law for the investment of trust monies

to the intent that the Member Trustees will have the same full and unrestricted powers of investment as if they were absolutely and beneficially entitled to the Fund.

15.8 Without prejudice to Clauses 15.1 to 15.7 but subject to Clause 16 the Member Trustees may invest the Fund in or upon the security of any: -

- 15.8.1 annuity contract or assurance policy (whether with profits or not) issued by a United Kingdom office or branch of an Insurance Company
- 15.8.2 scheme of deposit administration
- 15.8.3 unit trust, managed fund or mutual fund
- 15.8.4 deposit with a local authority, bank, building society, finance company or other financial institution
- 15.8.5 stocks, shares, debentures and debenture stocks (whether by purchase, subscription, underwriting, sub-underwriting or otherwise)
- 15.8.6 gilt's, government securities and other interest bearing investments whether at a fixed or variable rate
- 15.8.7 traded options (as defined in Section 144(8)(b) of the Taxation of Chargeable Gains Act 1992)
- 15.8.8 transactions and financial futures on the London International Financial Futures Exchange
- 15.8.9 gold bullion or any other commodity
- 15.8.10 interest in land or property (either in their own right or jointly with any other party)
- 15.8.11 contract, guarantee, option or other agreement in connection with any of the above.

15.9 As regards any real property held as an investment of the Scheme the Member Trustees may enter into any lease, licence, option, development or other contract in relation to it.

15.10 The Member Trustees may with the Pensioner Trustees consent join with the trustees of any other exempt approved scheme in any of the investment activities described in this Clause. In such circumstances the Member Trustees may hold or be entitled to such share of the mixed investments as they agree with the trustees of the other scheme.

15.11 The Member Trustees will if so required by Section 35 of the Pensions Act prepare and maintain a statement of principles governing the investment of the Fund. The statement will comply with Section 35 of the Pensions Act.

## **16 RESTRICTIONS ON INVESTMENT**

### **This Clause 16 is subject to the provision of Schedule 3**

The provisions of Schedule 3 will in the event of any inconsistency with the provisions of this Clause 16 be overriding.

16.1 The Member Trustees' power of investment shall be restricted to preclude investment either directly or indirectly in: -

- 16.1.1 personal chattels other than choses in action; or

- 16.1.2 Residential Property other than that which is, or is to be, occupied: -
- 16.1.2.1 by an employee who is not connected with his or her Employer and who is required as a condition of employment to occupy that property, or
  - 16.1.2.2 by a person other than a Member or a person connected with a Member where that person also occupies connected business premises which are also held by the Member Trustees as an investment of the Scheme; or
- 16.1.3 stock or shares in a Private Company which: -
- 16.1.3.1 carry more than thirty per cent of the voting power in that company, or
  - 16.1.3.2 entitle the holder to more than thirty per cent of any dividends declared by that company.

For the purposes of sub-clause 16.1.2 above the Member Trustees are not regarded as holding a Residential Property where they hold as an investment units in a unit trust scheme:

- (A) which is an authorised unit trust scheme within the meaning of Section 468(6) of the 1988 Act, or
- (B) an exempt unit trust within the meaning of Section 96 of the Capital Gains Tax Act 1979, and
- (C) that unit trust scheme holds Residential Property as an investment.

Notwithstanding any provisions to the contrary in the Scheme Documents, the word "Member" for the purposes of this paragraph means a person who is in Pensionable Service for the purposes of the Scheme or a person who qualifies for benefits under the Scheme by reason of his Pensionable Service.

- 16.2 The Member Trustees in that capacity may not directly or indirectly lend money: -
- 16.2.1 to a Member or to a person who is connected with a Member other than an Employer or any company associated with an Employer; or
  - 16.2.2 to an Employer or a company associated with an Employer unless the loan is: -
    - 16.2.2.1 utilised for the purpose of the borrower's business, and
    - 16.2.2.2 for a fixed term, and
    - 16.2.2.3 at a commercial rate of interest, and
    - 16.2.2.4 evidenced by an agreement in writing which contains all the conditions on which it is made and, in particular, the provisions specified in Clause 16.2.3 below;
  - 16.2.3 the provisions specified in this Clause are that lending will be repaid immediately if the borrower: -
    - 16.2.3.1 breaches the conditions of the agreement; or
    - 16.2.3.2 ceases to carry on business; or

16.2.3.3 becomes insolvent within the meaning of Regulation 6 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-administered Schemes) Regulations 1991; or

if the money is required to enable the Member Trustees to pay benefits which have already become due under the Scheme.

16.3 The amount of the aggregate of: -

16.3.1 the amount outstanding of any lending to an Employer and/or a company associated with an Employer made in accordance with Clauses 16.2.2 and 16.2.3 above, and

16.3.2 the market value of stock and shares in an Employer and/or a company associated with an Employer held by the Member Trustees in that capacity

must not at the time of any lending under Clause 16.2 or the purchase of any shares in the Employer or a company associated with an Employer exceed fifty per cent of the market value of the total assets of the Scheme. If the lending or purchase takes place within two years of the establishment of the Scheme the amount must not exceed twenty-five per cent of the market value of the total assets of the Scheme excluding the value of any transfer values received or policies assigned to it.

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

16.5 Where a prescribed transaction has been undertaken in relation to Clause 16.4 before 15 July 1991 the effect of Clause 16.4 will not be to limit or nullify the Member Trustees' powers to sell to a Member or connected person the specific asset or investment comprising such transaction.

16.6 The Member Trustees must not directly or indirectly purchase, sell or lease any investment or asset from or to an Employer or a company associated with an Employer except in accordance with independent professional advice obtained in writing.

16.7 For the purpose of this Clause 16 any question of whether a person is connected with another will be determined as follows: -

16.7.1 a person is connected with an individual if that person is: -

16.7.1.1 the individual's spouse; or

16.7.1.2 a Relative of the individual; or

16.7.1.3 a Relative of the individual's spouse; or

16.7.1.4 the spouse of a Relative of the individual.

16.7.2 a Member is connected with an Employer if: -

- 16.7.2.1 the Employer is a partnership and the Member is connected with a partner, or
    - 16.7.2.2 the Employer is a company and the Member or any person connected with him or her is, or has been during the last ten years a Controlling Director of the company;
  - 16.7.3 a company is connected with another company if: -
    - 16.7.3.1 the same person has Control of both, or
    - 16.7.3.2 a person has Control of one and persons connected with that person have Control of the other, or
    - 16.7.3.3 a person has Control of one and that person and persons connected with that person have Control of the other;
  - 16.7.4 a company is connected with another person if that person has Control of it or if that person and a person or persons connected with him or her together have control of it;
  - 16.7.5 any two or more persons acting together to secure or exercise Control of a company will be treated in relation to that company as connected one with another and with any person acting on the directions of any of them to secure or exercise Control of the company.
- 16.8 For the purposes of this Clause 16: -
  - 16.8.1 a company is associated with an Employer if (directly or indirectly) the Employer controls that company or that company controls the Employer or if both are controlled by a third person;
  - 16.8.2 "Member" includes any Member, Deferred Pensioner, Postponed Pensioner or Pensioner.
- 16.9 Provision of Information to the Board
  - 16.9.1 Within ninety days of any transaction by the Member Trustees as is specified in Clause 16.9.2 the Administrator will furnish the Board with such information and documents as it requires.
  - 16.9.2 The transactions specified are: -
    - 16.9.2.1 the acquisition or disposal of land (including buildings and other structures);
    - 16.9.2.2 the lending of money to an Employer or a company associated with an Employer;
    - 16.9.2.3 the acquisition or disposal of shares in an Employer or a company associated with an Employer;
    - 16.9.2.4 the acquisition or disposal of shares in a Private Company;
    - 16.9.2.5 the borrowing of money; or
    - 16.9.2.6 the purchase, sale or lease from or to an Employer or a company associated with an Employer of any investment or asset

## **17 TRUSTEES' BORROWING POWERS**

This Clause 17 is subject to the provisions of Schedule 3. The provisions of Schedule 3 will in the event of any inconsistency with the provisions of this Clause 17 be overriding.

- 17.1 The Trustees may borrow money on the security of all or any part of the Fund or borrow or raise money on any terms they think fit. This Clause and Clause 17.2 are subject to Clause 17.3.
- 17.2 The Trustees may exercise the power to borrow in Clause 17.1 in order to buy or acquire any property or assets or any interest in them for the Scheme. The property or assets may be charged as security for the borrowing as if the Trustees were absolutely beneficially entitled to them. Provided that at all times the liability of the Pensioner Trustee shall be limited to the assets of the Scheme but without prejudice to the joint and several liability of the other parties.
- 17.3 At any time the aggregate borrowing of the Member Trustees must not exceed: -
- 17.3.1 three times the Ordinary Annual Contribution, plus
  - 17.3.2 three times the annual amount of contributions paid or payable as a condition of membership by the Members in the year of assessment ending immediately before the borrowing took place, plus
  - 17.3.3 forty-five per cent of the market value of investments held for the purposes of the Scheme.

In determining the aggregate borrowing of the Scheme, the Trustees shall have regard to the provisions of Rule 10.2.4.

## **18 ACTUARIAL VALUATIONS**

- 18.1 The Member Trustees are to ensure that the Actuary conducts a valuation of the Scheme's assets and liabilities and provide a report to the Principal Employer, Member Trustees and the Pensioner Trustee as soon as reasonably practicable after the commencement of the Scheme and, after that, at intervals of not more than three years.
- 18.2 The Trustees and the Employers will make available to the Actuary all accounts, documents and information which he may reasonably require for this purpose.

## **19 AMENDMENT**

- 19.1 The Trustees may alter or replace the trusts, powers and provisions of the Scheme, after obtaining the consent of the Principal Employer and complying with any statutory requirement to give Members or Former Members notice of the alteration. The consent of the Principal Employer will not be required if the Trustees are making the alterations as a result of an Employer's failure to pay one or more contributions. Any alteration to the trusts, powers and provisions of the Scheme will be made by deed or written resolution and may be retrospective. However, an alteration may not be made if: -
- 19.1.1 it will/would prejudice that part of a Members or Former Members benefits which are in respect of Pensionable Service prior to the date of alteration.

## **20 AMALGAMATION AND RECONSTRUCTION**

- 20.1 This Clause applies where an Employer (other than the Principal Employer): -
- 20.1.1 is involved in an amalgamation, reconstruction or liquidation or
  - 20.1.2 sells or transfers its property, assets and undertaking or a significant part of them.
- 20.2 In such circumstances the Employer (with the Member Trustees' consent) may be replaced by the company, firm or person carrying on all or part of its business in succession.
- 20.3 Provided the procedural requirements contained in Clause 11 of the Deed are met in respect of the new Employer the Pensionable Service of Members employed by the old Employer will be treated as continuous, provided the Board consents to it being so treated.

## **21 PARTIAL WIND-UP**

- 21.1 This Clause applies where an Employer (other than the Principal Employer): -
- 21.1.1 ceases to carry on business
  - 21.1.2 goes into voluntary or compulsory liquidation
  - 21.1.3 has an administrator or administrative receiver appointed over any of its property assets or undertaking
  - 21.1.4 sells or transfers its property, assets and undertaking or a significant part of them
  - 21.1.5 ceases to be associated with the Principal Employer, if its continued participation in the Scheme would prejudice Exempt Approval.
  - 21.1.6 gives notice (other than contemporaneously with the Principal Employer) pursuant to Rule 64 severing its obligations to pay future contributions
  - 21.1.7 fails to pay any sum due to the Trustees within one month after receiving from them a formal written demand
- and (in the case of the events listed in Clauses 21.1.1 to 21.1.5 inclusive) no appointment has been made pursuant to Clause 20.
- 21.2 In such circumstances the Trustees, on the advice of the Actuary, must apply, at such time as they determine, the Member's Account to secure benefits relating to the Members employed by the Employer at the date the relevant event occurs unless the Members become employees of another Employer.
- 21.3 The relevant Members' Accounts may (at the Trustees' discretion and subject to the agreement of the Board) be dealt with in one or more of the following ways, namely: -
- 21.3.1 preserving the benefits in the Scheme
  - 21.3.2 setting apart such part of the Fund as the Trustees may decide and applying it in a partial wind-up in accordance with Clauses 23 and 24
  - 21.3.3 provided they comply fully with either Rules 19 or 20, effecting a transfer out in accordance with such Rules



- 23.5 If the Fund is insufficient to secure in full the benefits set out in one of the categories listed in Clause 23.2 then they will abate on such basis as the Member Trustees on the advice of the Actuary shall determine.
- 23.6 For the avoidance of doubt benefits: -
- 23.6.1 are to be categorised under Clause 23.2 by reference to their status on the date the wind-up commences (which for the avoidance of doubt is in the case of partial wind-up a condition set out in Clause 21.1 is satisfied or, in the case of full wind-up, the date specified in the Trustees' resolution)
  - 23.6.2 include any which may subsequently become payable on the death of the relevant Beneficiary
  - 23.6.3 are to be calculated and paid in accordance with the appropriate Rules of the Scheme.
- 23.7 Until all the assets of the Fund have been fully disposed of the trusts of the Scheme will remain in force. In particular the provisions of Rule 15.9 will apply.

## **24 SECURING BENEFITS**

- 24.1 Except as provided for below benefits are to be secured by the purchase of an appropriate non-commutable, non-assignable annuity in respect of each Beneficiary. For the avoidance of doubt the Trustees may purchase such annuity in, or transfer it into, the name of the Beneficiary.
- 24.2 In exceptional circumstances of serious ill health or where the benefits (including those payable on death) are Trivial a lump sum may be paid instead to the Member or former Member. In the case of a Controlling Director, payment of a lump sum on grounds of serious ill-health must be preceded by 14 days' notice by the Trustees to the Board.
- 24.3 At the request of a Beneficiary the Trustees may effect a transfer out under Rule 19 upon such terms as they consider appropriate.
- 24.4 The Trustees may arrange for any Beneficiary to participate in a Receiving Scheme in accordance with Rule 20. For the avoidance of doubt the transfer may include all or any part of an unallocated surplus within the Scheme.
- 24.5 Following the advice of the Actuary, benefits may be secured by the purchase of such policy or other contract or investment as may be permitted by law.
- 24.6 The Trustees may at their discretion secure benefits for the various categories referred to in Clause 23.2 by different means. They may also secure benefits by different means for individuals who are in the same category.

## **25 SPECIAL POWERS**

- 25.1 If any of the circumstances referred to in Clause 21.1 (save for Clause 21.1.2 where no successor in business replaces the relevant Employer) occurs the Trustees subject to the prior agreement of the Board may elect to continue the Scheme as a closed arrangement, provided that a pensioner trustee continues to act in relation to the Scheme.
- 25.2 If an election is made under Clause 25.1 no further benefits will be deemed to accrue after the date of the relevant event. Any benefits accrued prior to that date will be calculated in such manner as the Trustees decide. The trusts of the Scheme will remain in force. In particular the provision of Clause 19 will apply.

- 25.3 The election will continue in force until the Trustees determine otherwise. The Scheme is then to be wound-up in accordance with Clauses 22 and 23.

## **26 INSOLVENCY OF PRINCIPAL EMPLOYER**

If any of the events set out in Clauses 21.1.2 (except for a members' voluntary liquidation) or 21.1.3 occur in relation to the Principal Employer then all powers of the Principal Employer in relation to the Scheme will vest solely in the Member Trustees unless and until a new Principal Employer is appointed under Clause 12 at which time the powers will be re-instated to the Principal Employer (but without prejudice to their exercise whilst vested in the Member Trustees).

## **27 NOTICES**

- 27.1 Any notice required under the Scheme Documents may be served by delivering or sending it, in the case of: -

- 27.1.1 any of the Employers, the Principal Employer or a corporate Trustee to its registered office
- 27.1.2 an individual Trustee to his normal place of work or last known private address
- 27.1.3 a Member or Beneficiary to his normal place of work or last known private address.

- 27.2 Notices may be sent by first-class post or delivered personally. The former will be deemed served two days after the date of posting and the latter upon delivery.

## **28 DETERMINATION OF QUESTIONS**

- 28.1 Except as provided for expressly in the Scheme Documents the Member Trustees will have full power to determine conclusively any questions or matters of doubt concerning the Scheme or the construction of the Scheme Documents. For the avoidance of doubt any question concerning termination or winding-up of the Scheme will be determined by the Pensioner Trustee and the Member Trustees.

- 28.2 Such determination will be binding on all interested parties.


## **29 GOVERNING LAW**

- 29.1 The Scheme Documents will be governed in all respects by and construed in accordance with the laws of England and Wales.
- 29.2 The parties agree to submit to the jurisdiction of the courts of England and Wales.

IN WITNESS of which this document was executed as a Deed on the date set out above

**SIGNED** as a deed by **PROJECT FRAMING LTD** acting by two of its officers:

**Director**  
Signature

: 

Name

: **RUSSELL BRENNER**

**Director/Secretary**  
Signature

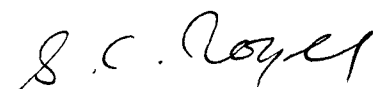
: 

Name

: **LINDY BRENNER**

The **COMMON SEAL** of **NPI TRUSTEE SERVICES LIMITED** was affixed to this deed  
in the presence of two of its Authorised Officials:

Signature

: 

Name

:

8919

Signature

: 

Name

:

**IP WILLS**

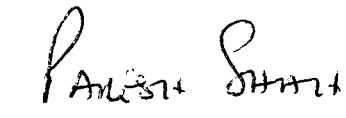
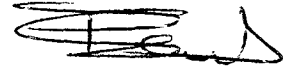
**SIGNED** as a deed by **LINDY DIANE BREMNER:**

in the presence of

**Witness:**

Signature  
Name  
Occupation  
Address

  
:  
:  
:

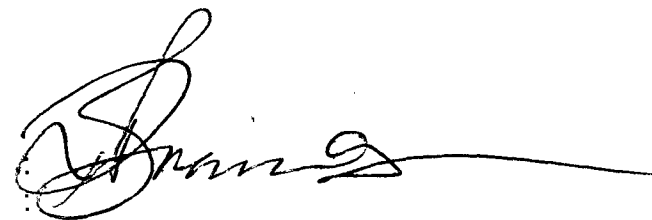
  
  
FINANCIAL ADVISOR  
57-59 HIGH ST  
SEVENOAKS  
KENT TN13 1JF

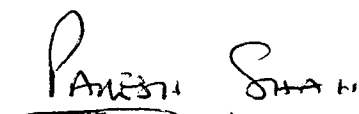
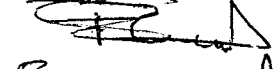
**SIGNED** as a deed by **RUSSELL BREMNER:**

in the presence of

**Witness:**

Signature  
Name  
Occupation  
Address

  
:  
:  
:

  
  
FINANCIAL ADVISOR  
57-59 HIGH ST  
SEVENOAKS  
KENT  
TN13 1JF

## **SCHEDULE 1**

### **The Rules**

## **1 ELIGIBILITY**

- 1.1 The Membership of any person who was an Eligible Employee on the Commencement Date and joined the Scheme following the invitation of an Employer is confirmed.
- 1.2 An Eligible Employee may be admitted to Membership if he is invited to become a Member by his Employer and the other Member Trustees.
- 1.3 If an invitation is made pursuant to Rule 1.2 the Eligible Employee will be notified by an Announcement Letter. This Announcement Letter will state:-
  - 1.3.1 a summary of the benefits to be provided and
  - 1.3.2 the initial contributions required from him (if any).
- 1.4 The Eligible Employee will be granted Membership if he notifies his Employer that he has received the Announcement Letter and he agrees:-
  - 1.4.1 that his entitlement to benefits under the Scheme will be governed solely by the Scheme Documents, as amended from time to time, and
  - 1.4.2 that he will make contributions to the Scheme at the rate required by his Employer from time to time.
- 1.5 The Principal Employer may notify the Trustees that Membership will be closed to new entrants. Such notice given will take effect immediately or at such future date as may be specified in it.
- 1.6 A statement in writing signed by or on behalf of the Principal Employer to the effect that any person is or is not an Eligible Employee will be conclusive.
- 1.7 No person is to be admitted to, remain in or be excluded from Membership if this would prejudice Approval.

## **2 ADMISSION TO MEMBERSHIP**

- 2.1 Anyone eligible for Membership who wishes to join the Scheme must if so requested by the Member Trustees supply to them:-
  - 2.1.1 a copy of his birth certificate or other satisfactory evidence of age
  - 2.1.2 any such evidence of health required (including submission to an examination)
  - 2.1.3 a completed Member application form and/or any other information requested.
- 2.2 Having complied with Rule 2.1 to the satisfaction of the Member Trustees the relevant individual will become a Member with effect from such date as the Principal Employer and the Member Trustees determine.
- 2.3 If for any reason the information supplied pursuant to Rule 2.1 transpires to be incorrect or incomplete the Trustees may adjust the terms of his Membership in such manner as they consider appropriate. Such changes may be made retrospectively.
- 2.4 The Maximum Benefits and maximum Member Contributions which will apply to a Member or former Member to ensure Exempt Approval will not be prejudiced are set out in Schedule 3. The provisions of Schedule 3 which apply will depend on when the Member or former Member joined the Scheme unless

2.4.1 the Board has agreed pursuant to its discretionary practice that the Member or former Member is treated as if he joined the Scheme at another date or

2.4.2 the Member or former Member meets the Prescribed Requirements.

### **3 CESSATION OF MEMBERSHIP**

3.1 An individual's Membership will cease if he:-

3.1.1 is no longer an Eligible Employee, or

3.1.2 exercises any statutory right to terminate his Membership, or

3.1.3 exercises a right under the remainder of this Rule.

3.2 Membership of the Scheme is voluntary. Accordingly, a Member may give two months' written notice to the Trustees to withdraw and his Membership will cease on expiry of that notice.

3.3 The relevant Employer will give written notice to the Trustees if any Member ceases to be an Eligible Employee.

3.4 Anyone who ceases to be a Member will only be re-admitted with the consent of the relevant Employer and the Trustees. If consent is given re-admission will be on such terms as the Trustees decide after taking the advice of the Actuary.

3.5 If a Member is temporarily absent from work the Principal Employer may direct the Trustees to treat that Member as though he will be remaining in Membership, subject to Approval not being prejudiced.

3.6 If the Member does not return to work after 10 consecutive years his Membership will terminate in accordance with Rule 12 unless the Trustees and the Employer agree otherwise, subject to Approval not being prejudiced.

3.7 Rules 3.5 and 3.6 do not apply in the case of maternity leave. A Member who is absent for this reason will be provided with such benefits in respect of her absence as the law may require.

### **4 MEMBERS' NORMAL CONTRIBUTIONS**

4.1 A Member will pay contributions to the Scheme of the amount (if any) determined by his Employer and notified to the Member in the Announcement Letter (or any variation of it). The rate of contribution may not be altered within twelve months of the first payment at that rate, unless the Board agrees.

4.2 Contributions will begin on the first pay date after admission to Membership and will cease when Membership comes to an end.

4.3 The Employer will deduct the Member's Contributions (together with any AVCs made pursuant to Rule 5) from his pay and remit them as soon as reasonably possible to the Trustees in such manner and at such intervals as the Trustees may require (provided Section 49 of the Pensions Act is complied with insofar as it applies).

4.4 The payment of contributions by a Member may be terminated, suspended or reduced at any time by the Trustees if the Actuary confirms they are excessive, having regard to the Maximum Benefit applicable to him.

## **5 MEMBER AVCs**

- 5.1 Subject as noted below a Member may pay AVCs either on a regular or an ad hoc basis until his Membership ceases or (in the case of regular amounts) he elects to stop paying them.
- 5.2 No Member may pay AVCs if this would cause the contribution limit referred to in Schedule 3 to be exceeded.
- 5.3 If it appears a Member is paying AVCs greater than those appropriate to the Maximum Benefit they are to be reduced by such amount as the Trustees on the advice of the Actuary may direct.
- 5.4 Before commencing, ceasing or varying payment of AVCs the Member will give the Trustees such prior written notice (not exceeding 12 months) as they may from time to time require. This obligation will not apply where AVCs stop because Membership has ceased or in the circumstances referred to in Rules 5.2 and 5.3.
- 5.5 Subject as noted below a Member's AVC Account is to be used by the Trustees to increase the benefits payable in respect of his Membership. These increased benefits will be in the form of pensions or lump sum death benefits as the Member Trustees decide. Any increased benefits must be of such kind and amount as are acceptable to the Board and which will not prejudice Approval.
- 5.6 For the avoidance of doubt the Trustees will not be obliged to increase:-
- 5.6.1 all or any specific benefit payable in respect of the Member
- 5.6.2 all benefits by the same proportion.
- 5.7 Any AVC Account established on or after 8th April 1987 is to be used only to provide benefits on an annuity basis. No lump sum payment is to be made from such an AVC Account.
- 5.8 Any monies remaining in the Member's AVC Account after benefits have been provided are to be paid to him after deduction of tax at the appropriate rate. In this respect the Trustees will ensure the Scheme is administered in accordance with Part III of Schedule 6 to the Finance Act 1989 and the AVC Regulations.
- 5.9 The Member Trustees will hold the AVC Accounts (including AVCs collected but not yet paid in) separate from the other assets of the Fund upon trust to provide benefits for the relevant individuals. Accordingly, on a total or partial wind-up the AVC Accounts are not to be used for the general purposes of the Scheme.

## **6 EMPLOYERS' CONTRIBUTIONS**

- 6.1 Each of the Employers will pay such contributions as the Principal Employer may from time to time agree with the Trustees, after consultation with the Actuary.
- 6.2 Any contributions due from the Employers are to be paid to the Trustees or as they may otherwise direct. Payment is to be made at such intervals as the Trustees with the consent of the Principal Employer may from time to time determine.
- 6.3 An Employer may at any time pay further contributions to the Trustees provided this does not prejudice Approval. Such contributions may be made either for the general purposes of the Scheme or for one or more of the specific purposes referred to in these Rules.
- 6.4 Each Employer has the power to sever its obligation to make future contributions by giving three months written notice to the Trustees. In such circumstances the provisions of Clauses 21 and 22 (as appropriate) will apply.



- 6.5 Each Employer has the power to suspend or reduce its obligation to make further contributions by giving three months' written notice to the Trustees. The Trustees will however have the power to wind-up the Scheme in accordance with Clause 22.1 if such notice is given.
- 6.6 If so required by Section 87 of the Pensions Act, the Trustees will ensure that a schedule of contributions to the Scheme is put in place. The schedule of contributions will be prepared, maintained and reviewed as necessary to comply with Section 87 of the Pensions Act.

## **7 NORMAL RETIREMENT**

- 7.1 Subject to Rules 8,9 and 10, a Member will be paid at his Normal Pension Date a non-assignable non-commutable Pension for the remainder of his life. The Pension will be the amount that the Trustees (after taking the advice of the Actuary) can provide from the Member's Account (after taking into consideration any Nominee's Pension provided arising under Rule 16 and any lump sum benefit arising under Rule 15), subject to Approval not being prejudiced.
- 7.2 Any annuity contract purchased utilising a Member's Account to provide a Pension in accordance with this or any other provision of the Scheme Documents will be purchased in the name of the Trustees.
- 7.3 The Pension provided under Rule 7.1 may be supplemented in accordance with the Rules by the application of AVCs, transfer payments and any other increases and augmentations.
- 7.4 The Trustees will secure a Pension which provides for increases in payment of at least those required by Section 51 of the Pensions Act and may with the prior agreement of the Member secure a Pension which provides for:-
- 7.4.1 further increases in payment
  - 7.4.2 a guarantee as to the minimum period of payment
  - 7.4.3 such other provisions as may be permitted by the Board.

## **8 LATE RETIREMENT**

- 8.1 A Member's retirement may be deferred past Normal Pension Date with the written consent of the Principal Employer but in any event not later than age 75 for a Class A Member.
- 8.2 Subject to Rule 8.1 and to the provisions of Schedule 3 if such consent is given the Member will be entitled (at his option) to either:-
- 8.2.1 a Pension paid from Normal Pension Date equal to that he would have received under Rule 7 if he had retired at such time, or
  - 8.2.2 a Pension paid from his actual date of retirement or any date on or between Normal Pension Date and the date of his retirement in accordance with the value at that date of his Member's Account.
- 8.3 Any Pension payable to a Controlling Director is to be calculated in a manner and commence no later than a date acceptable to the Board.

## **9 EARLY RETIREMENT**

- 9.1 A Member who retires early on grounds of Incapacity (at any age) or on any other grounds (but after attaining age 50) will be paid a Pension calculated in accordance with Rule 7 but assuming that his Normal Pension Date is his actual date of retirement.

- 9.2 Payment of a Pension on early retirement (on whatever grounds) prior to Normal Pension Date requires the written consent of the Principal Employer and the Trustees.
- 9.3 In the case of early retirement on grounds of Incapacity the Member must first produce evidence of his condition (including attendance at a medical examination) satisfactory to the Trustees.
- 9.4 Where a Controlling Director is to retire early on the grounds of Incapacity, the Trustees must give 28 days' notice to the Board in advance of such retirement.

## **10 SECURING OF PENSIONS BY ANNUITIES**

- 10.1 In this Rule "annuity" means an annuity in the name of the Trustees purchased from an Insurance Company and "pension date" means the date when a Member's Pension first becomes payable and "member" means a Member, Deferred Pensioner, Pensioner or Postponed Pensioner as the context requires.
- 10.2 In the case of (i) a member who retires for whatever reason on or after 4 February 1994 or (ii) a Pensioner who retired on or after 4 February 1989 but whose Pension has not been secured within five years of that retirement the Trustees shall purchase an annuity for such member in accordance with Rule 7. Where a prospective widow's/widower's reversionary pension is payable, the Trustees shall purchase a contingent annuity at the same time as the member's own pension is so secured. If, however, the widow's/widower's pension is payable to whichever person is the member's spouse when the member dies, its purchase may be deferred until the death of the member. The Trustees shall, however, have the power to defer the purchase of an annuity for such member or for any Dependant or Nominee (subject always to the above conditions for purchasing a widow's/widower's Pension) of such member who dies before or after retirement until in the case of the member's pension no later than the date on which such member attains age 75, or in the case of a Dependant's or Nominee's pension until the earlier of the attaining by the Dependant or Nominee of age 75 or the date on which the deceased member would have attained age 75, so long as the following conditions are and remain satisfied:-
- 10.2.1 Where all members of the Scheme and any Dependant or Nominee are in receipt of Pensions (contingent widow's/widower's of members whose pensions must be secured at the same time as the member's in accordance with this Rule 10.2 being regarded as in receipt of pension), the Trustees shall not, directly or indirectly, make any new loans to, or share purchases in, an Employer or a company associated with an Employer or make any new investments in any stock or shares of any Private Company following the later of the first payment of Pension to the last member of the Scheme to retire and the first payment of pension to the last Dependant or Nominee. The Trustees shall ensure the repayment of any existing loan made to an Employer or to any company associated with an Employer and shall realise the value of any stock or shares held in any Private Company within five years of the commencement of Pension in respect of the last member, Dependant or Nominee, or on attainment by that member, Dependant or Nominee of age 70 if earlier. Where the member, Dependant or Nominee has already attained age 70 when payment of pension commences, the repayment of any existing loan or realisation of any stock or shares held in any Private Company shall take place immediately.
- 10.2.2 Where the Scheme has both members who have not retired and Pensioners, Dependents and Nominees with benefits in payment whose annuity purchase has been deferred, (prospective widow's/widower's of members whose pensions must be secured at the same time as the member's in accordance with this Rule 10.2 being regarded as in receipt of pension) the Actuary shall exclude each such Pensioner's Account and Dependant's and Nominee's actuarial interests in the Fund when determining the proportion and the amount which may be lent to,

or used to buy shares in, an Employer or any company associated with the Employer or used to buy stock or shares in any Private Company. Within five years of the commencement of Pension to new Pensioners or Dependants or Nominees or on attainment by the Pensioner or Dependand or Nominee of age 70, if earlier, the Trustees shall ensure that an appropriate proportion of any loan to or shares in an Employer or any company associated with an Employer is repaid or sold and shall ensure an appropriate proportion of the value of any stock or shares held in any Private Company is realised. Where the member, Dependand or Nominee has already attained age 70 when payment of pension commences, the repayment of any existing loan or realisation of any stock or shares held in any Private Company shall take place immediately.

- 10.2.3 Where, during the period of deferral, investments held for the purposes of the Scheme include real or heritable property, the Trustees shall ensure that there are sufficient other readily realisable assets so as to be in a position to purchase a member's, Dependand's or Nominee's annuity at any time after the member Dependand or Nominee has attained age 70.
- 10.2.4 The amount of any new borrowing by the Trustees during any period of deferral shall be restricted so that the Pensioner's Account and Dependand's and Nominee's actuarial interests in the Fund are excluded from the calculation in Clause 17.3.3 of this Deed. The Trustees shall ensure the reduction of any borrowing in existence when a member retires or when a Dependand's or Nominee's benefits come into payment so as to comply with the levels set out in Clause 17.3.3 of this Deed within 5 years of those events or on attainment by the retired member or Dependand or Nominee of age 70 if earlier. Where the member or Dependand or Nominee has already attained age 70 when payment of pension commences, any reduction in borrowing to comply with the levels set out in Clause 17.3.3 of this Deed shall take place immediately.
- 10.2.5 During the period of deferral, and whilst the Pension is paid by the Trustees, the Actuary shall certify the amount of Pension which can be maintained by the Trustees taking account of:-
- 10.2.5.1 in the case of a member's Pension, any contingent Dependands' and/or Nominees' Pensions payable;
- 10.2.5.2 the income and assets of the Scheme, and in particular those liquid assets representing the Pensioner's Account or Dependand's or Nominee's actuarial interests in the Fund.
- In the case of a member's pension the certificate shall compare the Pension with the amount of an annuity which could, at that time and on the same terms, be secured with the Pensioner's Account. In the case of a Dependand's or Nominee's Pension, the initial certificate shall compare the Pension with an annuity that could have been secured at the member's death. Subsequent renewal certificates shall compare the Dependand's or Nominee's Pension with the amount of an annuity which could, at that time and on the same terms, be secured with the Dependand's or Nominee's actuarial interest in the Fund. Where the Pension and annuity differ by 10% or more, the certificate shall include a full explanation.
- 10.2.6 A copy of the initial actuarial certificate shall be provided to the Pension Schemes Office with the next actuarial valuation report of the Scheme or earlier on request by the Pension Schemes Office.
- 10.2.7 A formal review of the amount of Pension payable shall thereafter form part of the Scheme's triennial actuarial reviews; and the renewal certificate shall be supplied to the Pension Schemes Office with the actuarial valuation report.

- 10.2.8 The Trustees shall review the suitability of annuity purchase at least on an annual basis and in connection with significant changes in available annuity rates.

## **11 PAYMENT OF BENEFITS**

- 11.1 All pensions and annuities will be payable at such intervals and in such manner as the Trustees decide.
- 11.2 Benefits will be paid by such method as the Trustees may from time to time determine including payment:-
- 11.2.1 at the registered office of the Principal Employer, subject to the requirements of the Pensions Act
  - 11.2.2 by cheque, money order or other negotiable instrument sent to the last known address of the Beneficiary
  - 11.2.3 by transfer or credit to a bank, building society or other account nominated by the Beneficiary
  - 11.2.4 by an insurance company or agent appointed by the Trustees.
- 11.3 All benefits will be sent at the risk of the Beneficiary and the Trustees will not be liable should they go astray. The Trustees will not be obliged to obtain a formal receipt or acknowledgement of payment.
- 11.4 If in the opinion of the Trustees a Beneficiary has become incapable of managing his own affairs they may pay any benefits due to anyone they consider is a proper person to receive the same on his behalf.
- 11.5 In such circumstances the Trustees will not be obliged to ensure how or for whose benefit the payment is applied. The payment itself will be a sufficient discharge to the Trustees for the relevant benefits.

## **12 WITHDRAWAL**

- 12.1 Subject to Rules 19 and 20 anyone ceasing to be a Member who does not receive an immediate benefit will instead have his Member's Account maintained in the Scheme.
- 12.2 The Member's Account will be used to provide benefits in accordance with Rules 7, 15 and 16 (subject to Rule 12.3) from Normal Pension Date.
- 12.3 If a Deferred Pensioner retires either on grounds of Incapacity or after attaining age 50 but before Normal Pension Date he may (with the consent of both the Principal Employer and the Trustees) elect to receive an immediate Pension. The Pension will be calculated in accordance with Rule 7 but will assume that his Normal Pension Date is his actual date of retirement.
- 12.4 The benefits of a Deferred Pensioner who has less than five years' Pensionable Service may be secured (at the Trustees' discretion) by a transaction to which section 81 of the 1993 Act applies. Once such benefits have been secured the rights relating to them under the Scheme will be extinguished. Accordingly the Deferred Pensioner and all others claiming under him will have no further interest in the Scheme in respect of such benefits.
- 12.5 If a Deferred Pensioner retires after Normal Pension Date he may with the consent of the Trustees defer payment of his Pension in accordance with Rule 8.

## **13 AUGMENTATION**

- 13.1 The Principal Employer (or any other Employer with the Principal Employer's consent) may after obtaining the advice of the Actuary request the Trustees to enhance the benefits which may become payable to or in respect of a Beneficiary in such manner as it may prescribe including the following:-
- 13.1.1 increasing benefits
  - 13.1.2 accelerating the payment of benefits
  - 13.1.3 granting additional benefits
- 13.2 The Principal Employer may request the Trustees to provide any new or increased benefits to or in respect of any person in, or formerly in the service of, any Employer.
- 13.3 The Trustees are to implement the request provided the relevant Employer pays such further contributions (if any) as the Actuary may recommend and provided that Maximum Benefits are not exceeded.

## **14 REVALUATION**

Where a Member became a Deferred Pensioner at least one year before Normal Pension Date his Member's Account will be revalued in accordance with paragraph 5 of Schedule 3 to the 1993 Act.

## **15 LUMP SUM BENEFITS**

- 15.1 Subject to Schedule 3, a Member or Deferred Pensioner may elect to commute all or part of his Pension to a cash lump sum. This will be of an amount determined by the Trustees on the advice of the Actuary to be as equivalent to the Pension surrendered.
- 15.2 Such election is to be made by giving written notice to the Trustees before payment of the Pension commences.
- 15.3 The lump sum will be due at the same time as the first payment of the Pension. Subject to Schedule 3, if a Member postpones drawing his Pension at Normal Pension Date pursuant to Rule 8 the election may still be made to take effect at any time on or between Normal Pension Date and the date of his actual retirement. The Trustees may also pay a lump sum pursuant to Rule 15.4.1 on the occasion of an increase in the limit below which benefits become Trivial.
- 15.4 At the Trustees' discretion a lump sum may also be paid
- 15.4.1 in lieu of all benefits payable (including those payable on his death) which are Trivial
  - 15.4.2 in lieu of his Pension in exceptional circumstances of serious ill-health, subject to confirmation from the Board that such commutation will not prejudice Approval. In the case of a Controlling Director, the Trustees must give 14 days' advance notice to the Board of any proposed payment in accordance with this Clause.
- 15.5 If the Trustees exercise their discretion pursuant to Rule 15.4 they will deduct from the lump sum any tax upon it for which they may be liable.

## **16 CONVERSION**

- 16.1 With the Trustees' consent a Member, Deferred Pensioner or Postponed Pensioner may elect that part of his Member's Account be utilised to provide one or more Nominee's Pension(s). The Pension(s) will be of such amount(s) as can be provided by the Trustees from that part of the Member's Account surrendered and are to be in accordance with any conditions laid down by the Board and imposed by the Trustees after taking the advice of the Actuary. Rule 10 is to apply to the securing of any Nominee's Pension.
- 16.2 Such election is to be made by giving written notice to the Trustees before the date of retirement.
- 16.3 No election may be made to the extent it would reduce the Pension below the aggregate value of the Nominee's Pension.
- 16.4 The relevant part of an election will be void if before the Member, Deferred Pensioner or Postponed Pensioner retires:-
- 16.4.1 the Nominee dies, or
  - 16.4.2 (where the Nominee is the Spouse) the marriage is dissolved or a decree of judicial separation is granted (unless written confirmation that the election is to remain valid is given by the Member, Deferred Pensioner or Postponed Pensioner), or
  - 16.4.3 he withdraws his election, with the consent of the Trustees.
- 16.5 If at the retirement of a Member, Deferred Pensioner or Postponed Pensioner a valid election subsists, he will be paid reduced benefits in accordance with Rule 16.1. On the death of the electing Pensioner the Nominee (if surviving) will be paid the Nominee's Pension.
- 16.6 In the event that a Nominee's Pension is provided to a Child under this Rule or any other provision of the Scheme Documents the Trustees may at their discretion:-
- 16.6.1 pay any monies to the Child's guardian or other person with whom the Child resides and under whose care and control the Child appears to be. In this event, the Trustees are not required to supervise the application of the monies and will not be responsible for any misapplication
  - 16.6.2 apply the pension, in whole or in part, towards the Child's education or otherwise for his benefit in any way they think fit
  - 16.6.3 after taking the advice of the Actuary, continue payment of the pension to or in respect of a Child who has attained majority but who is physically or mentally disabled to the extent that he is unable to support himself financially.

## **17 EVIDENCE OF DEATH**

- 17.1 The Trustees will obtain a copy of the death certificate.
- 17.2 When a sum is to be paid to a deceased's personal representatives the Trustees may first obtain a copy of the grant of representation. However, they will not be obliged to do so.
- 17.3 If no grant has been taken out the Trustees may at their discretion pay the relevant sums to the deceased's personal representatives, Spouse, next-of-kin or such other body, person or organisation as they may consider appropriate. Payment to the relevant body, person or organisation will be a valid discharge to the Trustees.

## **18 DEATH BENEFITS**

18.1 On the death of a Member, Deferred Pensioner or Postponed Pensioner the Member's Account will be utilised to provide the following benefits:-

18.1.1 A lump sum equal to the Member's Contributions (if any), the Member's AVC Account and any Member's Transferred Contributions including interest at a rate determined by the Actuary to be reasonable.

18.1.2 Subject to Schedule 3 a lump sum equal to the amount remaining in the Member's Account after the deduction of the sum specified in Rule 18.1.1.

18.1.3 If any portion of the Member's Account remains after the deduction of the sums specified in Rules 18.1.1 and 18.1.2 an annuity for life for any one or more of the Nominees, as decided by the Trustees. Such annuity is to be provided by the Member Trustees, subject to Rule 10 and Rule 16.6.

18.2 On the death of a Pensioner a lump sum may be payable in accordance with the terms for a guaranteed minimum period of payment of the Pension secured for him at his actual retirement, if applicable.

18.3 Any lump sums due are to be distributed on such terms and in such proportions as the Trustees decide to or for the benefit of the deceased's Dependants. If the Trustees are unable to identify and locate any Dependants of the deceased they may at their discretion pay the lump sum in such proportions they decide to such other trust, person, body or organisation as they may consider appropriate.

18.4 No benefits payable under this Rule may exceed the limits set out in Schedule 3. If, after the provision of the benefits specified above, there remains an unexpended balance of the Member's Account, that balance will be held by the Trustees for the general purposes of the Scheme, subject to Rule 18.6 below.

18.5 If the balance (or any part of it) referred to in Rule 18.4 is attributable to AVCs it will be refunded to the Member's personal representatives subject to deduction of tax pursuant to Section 599A of the 1988 Act and the AVC Regulations.

18.6 All sums due under Rule 18 are to be held by the Trustees separately from the other assets of the Fund and applied in accordance with this Rule. Such sums are to be paid out within two years of the date of death of the relevant individual except where his estate passes as bona vacantia. If all or part of the lump sum remains unpaid at the end of two years from the date of death of the relevant individual it will be paid to his estate. If the estate of the deceased individual passes bona vacantia no payment will be made pursuant to the remainder of this Rule, the monies being retained for the purposes of the Scheme.

18.7 The two year time period specified in Rule 18.7 may be extended by the Trustees to such longer time period as the Board will allow.

18.8 The Trustees may take account of any expression of wish form completed by the deceased member regarding the disposal of the lump sum but they will not be obliged to do so.

18.9 Where a Controlling Director remains in Pensionable Service over age 75 any benefit paid under the provisions of this Rule will be paid to his Spouse or (if he leaves no Spouse) to his personal representatives.

18.10 The Trustees may establish a trust, on such terms as they may think appropriate, for the benefit of one or more of the persons to whom benefits may be paid under Rule 18.3 and may pay to it any sum arising under this Rule. Any costs and expenses incurred in

establishing the trust or making payment to it may be deducted from the payment if the Trustees so decide.

## **19 INDIVIDUAL TRANSFERS OUT**

19.1 A Member or Deferred Pensioner may request in writing a transfer value payment in lieu of his entitlements under the Scheme be made if he:-

19.1.1 sets up a Personal Pension Scheme or

19.1.2 becomes a member of another retirement benefits scheme or arrangement approved (where necessary) by the Board to take a transfer.

19.2 If such a request is made (subject to the approval of the Pension Schemes Office of the Inland Revenue) the Trustees will (subject to Rule 19.3) pay to the Receiving Scheme the Cash Equivalent for the Member or Deferred Pensioner. The transfer is to be made in accordance with any requirements of the 1993 Act which apply to it.

19.3 Whilst a Member or Deferred Pensioner remains a director or employee of any Employer the Trustees may decide that no transfer will be made (other than in respect of benefits relating to Pensionable Service after 5th April 1988).

19.4 Provided this does not prejudice Approval a Member or Deferred Pensioner may request the Trustees to purchase for him an annuity policy or contract with an Insurance Company. The purchase price of the policy or contract is to be equal to the Cash Equivalent referred to in Rule 19.2.

19.5 Once a transfer has been effected or an annuity policy or contract has been purchased all rights under the Scheme relating to or derived from the Member or Deferred Pensioner will be extinguished. Accordingly, the Member or Deferred Pensioner and all others claiming under him will have no further interest in the Scheme.

## **20 BULK TRANSFERS OUT**

20.1 At the request or with the consent of the Principal Employer the Trustees may arrange for any or all of the Beneficiaries (whether immediate, deferred or contingent) to participate in a Receiving Scheme.

20.2 Subject to Rule 20.5 such arrangements may be made without obtaining the consent of any of the persons concerned but only after obtaining the consent of the Board.

20.3 Participation may be effected by transferring to the Receiving Scheme all or any part of the Scheme assets and monies upon terms agreed between the Trustees and the trustees or administrator of the Receiving Scheme.

20.4 For the avoidance of doubt the transfer may include all or any part of an unallocated surplus within the Scheme.

20.5 No such transfer is to be made if it would:-

20.5.1 offend against the law of perpetuities

20.5.2 prejudice Approval

20.5.3 breach the provisions of the Preservation Regulations

20.5.4 contravene the provisions of Section 20 of the 1993 Act.



- 20.6 Once a transfer has been made all rights under the Scheme relating to or derived from the relevant Beneficiaries will be extinguished. Accordingly, they and all others claiming under them will have no further interest in the Scheme.

## **21 TRANSFERS IN**

- 21.1 If a Member previously participated in another retirement benefits scheme or Personal Pension Scheme the Trustees (with the prior consent of the Principal Employer and the Board) may receive a transfer payment in respect of such participation.
- 21.2 Upon receipt of the transfer payment the Member's Account will be credited with such notional assets as the Trustees may determine (after prior consultation with the Principal Employer and the Actuary) provided this does not prejudice Approval.
- 21.3 Where a transfer payment is accepted the Member's Transferred Contributions will be deemed to be those which would be payable on withdrawal from the Transferring Scheme. For this purpose any deduction which would have been made in respect of tax is to be ignored.
- 21.4 If the Transferring Scheme has no provision for withdrawal payments the Member's Transferred Contributions will be those which it actually credited to the Member.
- 21.5 If the Member was prohibited from receiving a refund of his Member's Transferred Contributions at the time he left the Transferring Scheme the Trustees must apply a similar prohibition if those Member's Transferred Contributions are subsequently transferred out of the Scheme.
- 21.6 The Trustees will obtain a certificate from the trustees of the Transferring Scheme showing the amount of the transfer which may be used to provide lump sum benefits. This must be taken into account by the Trustees in providing benefits under the Scheme.

## **22 ALTERNATIVE TO SHORT SERVICE BENEFIT**

Where an alternative to short service benefit (as defined in Section 71 of the 1993 Act) is payable under the Scheme the Trustees must be reasonably satisfied it is of at least equal value.

## **23 DISCLOSURE OF INFORMATION**

- 23.1 The Trustees may ask any Beneficiary to supply such evidence of age, identity, status or other information as they may from time to time require.
- 23.2 If such information is not supplied or is incorrect the Trustees may, acting on the advice of the Actuary, make such adjustments to the benefit payable to the Beneficiary as they think fit. These adjustments may be made on a retrospective basis and the Trustees may reclaim any benefit which has been overpaid previously.

## **24 BAR ON ASSIGNMENT**

- 24.1 Except to the extent allowed by Section 95 of the Pensions Act no benefit payable under the Scheme is capable of being charged or assigned nor can a lien or set-off be exercised in respect of such benefit.
- 24.2 No attempt by a Beneficiary to affect a transaction in respect of a benefit which is not permitted under Rule 24.1 will be binding upon the Trustees. Should such an attempt be made the relevant part of the benefit will cease to be payable to that Beneficiary.

24.3 In such circumstances the Trustees may at their discretion instead apply the relevant part of the benefit for the support and maintenance of any one or more of the Beneficiary and his dependants.

24.4 Any part of the benefit not applied for support or maintenance is to be used for the general purposes of the Scheme.

## **25 TAX LIABILITY AND OVER-PAYMENTS**

25.1 Where liability to any tax or duty arises in respect of any benefit or refund the Trustees may deduct the same before payment.

25.2 If the liability is uncertain or its extent unknown the Trustees may postpone payment until they are satisfied that the liability does not exist or has been adequately provided for.

25.3 If for any reason a payment is made in full where a deduction should have been applied or if the liability arises after payment then the Trustees may (but will not be obliged to) recover the same from the recipient.

25.4 If for any reason there is any overpayment of benefit it will be at the Trustees' discretion as to whether any steps are taken to recover the same, subject to any requirements of the Pension schemes office.

## **26 DETERMINATION OF EMPLOYMENT**

26.1 No provision of the Scheme will in any way restrict the right of any of the Employers to end the employment of a Member.

26.2 No damages will be recoverable by such a former Member from the Scheme or the Trustees as a consequence of his employment coming to an end.

## **27 FAILURE TO CLAIM BENEFITS**

27.1 No Beneficiary will be entitled to any benefit more than six years after it has fallen due if the reason for non-payment was:-

27.1.1 his failure to claim it

27.1.2 the Trustees' lack of knowledge of his existence or whereabouts or of any fact giving him the right to it.

27.2 Subject to Rule 27.3 any such sums are to be forfeited and used for the general purposes of the Scheme.

27.3 Notwithstanding the above the Trustees may (with the consent of the Principal Employer) elect to pay to or in respect of the Beneficiary part or all of the relevant benefit.

## **28 FORFEITURE**

28.1 This Rule applies where a Beneficiary:-

28.1.1 owes a monetary debt to an Employer arising out of a fraudulent, negligent or criminal act or omission

28.1.2 is a Trustee who owes a monetary debt to the Scheme arising out of a breach of trust by him or

- 28.1.3 has caused a monetary loss to the Scheme as a result of a criminal, negligent or fraudulent act or omission
- 28.1.4 is bankrupt.
- 28.2 Where the debt is due to an Employer:-
  - 28.2.1 the relevant Employer may deliver to the Trustees a certificate stating the loss suffered as a consequence of the fraudulent, negligent or criminal act or omission
  - 28.2.2 upon receipt of the certificate the Trustees are to consult with the Actuary and determine an appropriate reduction in the Member/Beneficiary's benefits to reflect the certified loss
  - 28.2.3 the Trustees are then to deliver a copy of the certificate to the Member/Beneficiary and notify him of the proposed reduction. They may in their discretion modify the reduction in light of any representations made by the Member/Beneficiary but their ultimate decision will be binding upon him.
- 28.3 Where the debt is due to a Employer without prejudice to any other remedy it may have, the Employer will be entitled to reimbursement of the loss from the Scheme (less any tax which may be chargeable).
- 28.4 Where the debt or loss is due to the Scheme:-
  - 28.4.1 the Trustees may consult with the Actuary and may determine an appropriate reduction in benefits to reflect the debt or loss
  - 28.4.2 the Trustees will then deliver a certificate to the Beneficiary notifying him of the debt or loss and the appropriate reduction in benefits to reflect the debt or loss. They may at their discretion modify the reduction in light of any representations made by the Beneficiary but their ultimate decision will be binding upon him.
- 28.5 Notwithstanding the above the Trustees may not make any reduction or reimbursement:-
  - 28.5.1 unless the claim set out in the certificate delivered to the Beneficiary is either not disputed or the obligation has become enforceable by an order of a competent court
  - 28.5.2 in respect of any benefits transferred into the Scheme under Rule 21 (except to the extent permitted by Sections 91, 92 or 93 of the Pensions Act)
  - 28.5.3 which is more than the amount of the monetary debt or less or (if less) the value of the Beneficiary's entitlement or Member's Account under the Scheme.
  - 28.5.4 if it contravenes the preservation requirements of the Act.
- 28.6 In Rules 28.7 and 28.8 below:
  - 28.6.1 "pension" includes any benefit under the Scheme and any part of a pension and any payment by way of pension; and
  - 28.6.2 "dependant" and "member" have the same meanings as they have in section 92 (3) of the Pensions Act.
- 28.7 The rights to a pension under the Scheme shall not be absolute but shall be forfeited upon bankruptcy of the person entitled to the pension or whose right to it has accrued.

28.8 On and from the bankruptcy of such person any pension which was, or would but for the forfeiture have become, payable may, if the Trustees so determine, be paid to all or any of the following:

28.8.1 The member to or in respect of whom the pension was, or would have become, payable;

28.8.2 The spouse, widow or widower of the member;

28.8.3 Any dependant of the member; and

28.8.4 Any other person to whom, under the rules of the Scheme, the pension was or could have been paid.

28.9 Any part of the benefit not paid pursuant to Rule 28.8 is to be used for the general purposes of the Scheme.

## **SCHEDULE 2**

### **Definitions**

**"the Actuary"**

A fellow of the Institute of Actuaries or the Faculty of Actuaries, or a firm of such actuaries appointed pursuant to Clause 3.

**"Administrator"**

The Member Trustees or such other individual or corporate body as the Member Trustees may appoint to act as administrator for the purposes of the 1988 Act.

**"Announcement Letter"**

A letter from the Employer to the Member setting out his entitlement to benefits under the Scheme.

**"Approval"**

Approval of the Scheme by the Board as an exempt approved scheme under Chapter I of Part XIV of the 1988 Act.

**"Approved Investments"**

Such investments which the Member Trustees may make in respect of the Scheme, which would not prejudice Approval.

**"the Auditor"**

A person or firm permitted to act as the auditor by the Pensions Act and appointed pursuant to Clause 3.

**"AVCs"**

Additional voluntary contributions paid by a Member under Rule 5 together with any transfer value paid to the Member Trustees in respect of him which is certified by the Transferring Scheme to represent AVC's.

**"AVC Account"**

The total value of the Member's AVCs together with any investment yield or bonuses earned on them but after the deduction of investment expenses.

**"the AVC Regulations"**

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

**"Beneficiary"**

A person entitled or prospectively entitled to a benefit under the Scheme.

**"Board"**

The Board of Inland Revenue.

**"Cash Equivalent"**

The cash equivalent (as defined in the 1993 Act) of the benefits payable to and in respect of a Member or Deferred Pensioner under the Scheme scaled down if necessary to comply with the requirements of the Occupational Pension Schemes (Transfer Values) Regulations 1996.

**"Chairman"**

The Trustee appointed from time to time to act as chairman pursuant to Clause 5.6.

**"Child"**

A child of a Member, Deferred Pensioner or Postponed Pensioner under age eighteen or (at the discretion of the Member Trustees) over that age and currently in receipt of full-time education or vocational training. This expression includes:-

- a step-child
- a legally adopted child
- a child to whom a Member, Deferred Pensioner or Postponed Pensioner stood in loco parentis immediately prior to his death
- a child en ventre sa mere
- an illegitimate child.

### **"Children"**

Will have a corresponding meaning to "Child".

### **"Class A Member"**

This expression has the meaning set out in Schedule 3.

### **"Commencement Date"**

25 June 1997 the date upon which the Scheme was established.

### **"Control"**

Control as defined in Section 840 of the 1988 Act.

### **"Controlling Director"**

A Member who, at any time on or after 17 March 1987 and in the last ten years before the date of retirement, death or leaving Pensionable Service has, in relation to an Employer, been both within the definition of a director in section 612(1) and within paragraph (b) of section 417(5) of the 1988 Act.

### **"Custodian"**

A person or firm who has the custody of cash, securities and any other document of title to Scheme assets.

### **"Death Benefits"**

A lump sum which will become payable to the Member Trustees from an Insurance Company in respect of a Member, Deferred Pensioner, Postponed Pensioner or Pensioner on his death.

### **"Deferred Pensioner"**

A former Member who is entitled to a deferred Pension under the Scheme but who has not yet become a Pensioner or otherwise retired and taken all his Member's Account as a lump sum.

### **"Dependant"**

In respect of a Member, Deferred Pensioner or Postponed Pensioner his:-

- spouse, children and other offspring not within the definition of Children
- any person with an interest in his estate

together with:-

- any other person who (in the opinion of the Member Trustees) was financially dependent the Member, Deferred Pensioner or Postponed Pensioner at the date of his death or retirement as appropriate
- any person, body or organisation named or any expression of wish made by the deceased regarding the disposal of the benefit payable

- any trust of which a Dependant (as defined above) is a beneficiary notwithstanding that there may be other beneficiaries under such trust.

### **"Eligible Employee"**

Any permanent employee of any Employer who has been notified he is eligible by his Employer.

### **"Employers"**

The Principal Employer together with any companies, firm or persons which participate from time to time in accordance with Clause 11.

### **"Employer-Related Investment"**

- shares or other securities issued by an Employer or by any person who is connected with, or an associate of, an Employer
- land which is occupied or used by, or subject to a lease in favour of, an Employer or by any person who is connected with, or an associate of, an Employer
- property (other than land) which is used for the purposes of any business carried on by an Employer or by any person who is connected with, or an associate of, an Employer
- loans to an Employer or to any person who is connected with, or an associate of, an Employer
- any other investment prescribed as an Employer-Related Investment by Section 40 of the Pensions Act.

In this definition, "securities" means any asset, right or interest falling within paragraphs 1, 2, 4 or 5 of Schedule 1 to the Financial Services Act 1986. The meanings of "connected" and "associated" are as defined by Section 40 of the Pensions Act.

### **"Existing Provisions"**

A Trust Deed and Rules dated 25 June 1997 and made between Project Framing Ltd, Russell Bremner, Lindy Diane Bremner and NPI Trustee Services Limited.

### **"firm"**

A firm, company (including a trust corporation) or other organisation as the context may require.

### **"Fund"**

The monies, assets, property and investments which from time to time constitute the fund of the Scheme. This expression includes where appropriate any part of the Fund.

### **"Incapacity"**

Physical or mental deterioration which, in the opinion of the Member Trustees is either sufficiently serious to prevent the Member from following normal employment or seriously impairs his earning capacity.

### **"including"**

Including without limitation (the expression "include" having a similar meaning).

### **"Insurance Company"**

An insurance company as described in Section 659B of the 1988 Act.

### **"Maximum Benefit"**

The appropriate maximum prescribed by Schedule 3.



**"Member"**

A person who has been admitted to the Scheme but who has not become a Deferred Pensioner, Postponed Pensioner or Pensioner or otherwise ceased to participate in it.

**"Member's Account"**

That part of the Fund which, in respect of each Member, Deferred Pensioner or Postponed Pensioner, is determined by the Member Trustees (after taking the advice of the Actuary) as relating to that individual including any Death Benefits. Nothing in this definition is to confer on any Member, Deferred Pensioner or Postponed Pensioner any right to specific assets of the Fund which may be allotted to him on a notional basis for the purpose of determining his Member's Account only.

**"Member's Contributions"**

Compulsory contributions (if any) made by a Member to the Scheme.

**"Member's Transferred Contributions"**

A transfer value paid to the Member Trustees in respect of a Member which is certified by the transferring scheme to represent the Member's contributions in that scheme.

**"Member Trustees"**

Lindy Diane Bremner, Russell Bremner and any other member trustee appointed from time to time.

**"Membership"**

Participation in the Scheme as a Member.

**"Nominee"**

A person who in the opinion of the Member Trustees is financially dependent on or is financially interdependent with the relevant Member, Deferred Pensioner or Postponed Pensioner, or a Child.

**"Nominee's Pension"**

The pension payable after the death of a Pensioner to a Nominee selected by the Pensioner and approved by the Member Trustees.

**"Normal Pension Date"**

Such date between the Member's or former Member's 60th and 75th birthdays as is specified in his Announcement Letter.

**"Ordinary Annual Contribution"**

The average annual amount of the contributions paid to the Scheme by the Employers in the three accounting periods preceding the date on which the Ordinary Annual Contribution is to be ascertained. Where the Scheme has been established less than three years, the Ordinary Annual Contribution will be the total amount of contributions paid by the Employers divided by the number of complete years for which the Scheme has been established. If the Scheme has been established for less than one year, a part year will be counted as one year.

**"Pension"**

A pension payable in respect of Membership of the Scheme.

**"Pensionable Service"**

Service as a Member with any Employer before attaining Normal Pension Date together with any period added by the Member Trustees by reason of any transfer value made to the Scheme in respect of the Member.

**"Pensioneer Trustee"**

NPI Trustee Services Limited, a Trustee of the Scheme who is approved by the Board to act as such and is not connected with a Scheme Member, another Trustee or an Employer.

**"Pensioner"**

A former Member who receives a Pension under the Scheme.

**"Pensioner's Account"**

That part of the Fund which the Member Trustees determine relates to a Pensioner, following advice of the Actuary.

**"Pensions Act"**

Any reference to the Pensions Act will be to the Pensions Act 1995 and any statutory instrument made under it.

**"Personal Pension Scheme"**

A scheme approved by the Board under Section 631 of the 1988 Act.

**"Postponed Pensioner"**

A Member who has passed Normal Pension Date but is not yet in receipt of Pension.

**"Prescribed Requirements"**

These are where either: -

- a person who joined the Scheme, or who the Board has agreed to treat as if he joined the Scheme, before 1st June 1989 has elected to be treated as if he joined the Scheme after 1st June 1989; any such election may be made to the Member Trustees and must be given in writing in such form, and within such timescales prescribed by the Board, if any, or otherwise as prescribed by the Member Trustees, or
- a person is treated as being reinstated to the Scheme in the circumstances set out in the Occupational Pension Schemes (Transitional Provisions) (Amendment) Regulations 1996 having previously received bad investment advice.

**"Preservation Regulations"**

The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 as amended by the Occupational Pension Schemes (Preservation of Benefit) Amendment Regulations 1993.

**"Principal Employer"**

Project Framing Ltd or any company firm or person substituted for it pursuant to Clause 12.

**"Private Company"**

A company which is not officially listed on a recognised stock exchange within the meaning of Section 841 of the 1988 Act.

**"Receiving Scheme"**

A retirement benefits scheme or a Personal Pension Scheme to which a transfer is to be made pursuant to Rule 19.

**"Relative"**

A brother, sister, or other ascendant or descendant.

**"Relevant Benefits"**

Has the meaning given the term in Section 612 of the 1988 Act.

**"Residential Property"**

Property normally used, or adapted for use as one or more dwellings.

**"Rules"**

The rules of the Scheme set out in Schedule 1 as amended from time to time.

**"Scheme"**

Project Framing Ltd SSAS Fund.

**"Scheme Documents"**

The documents which from time to time regulate the Scheme.

**"Scheme Year"**

A period of twelve months ending on the 30 day of June in any year, or such other date as the Member Trustees agree.

**"Secretary"**

The person for the time being appointed to act as the secretary pursuant to Clause 5.5.

**"Spouse"**

The wife or husband of a relevant individual. In the case of polygamous marriages the spouse will be such wife or husband as the Member Trustees may decide. Where the context requires wife or husband will mean widow or widower.

**"Transferring Scheme"**

A retirement benefits scheme or a Personal Pension Scheme from which a transfer is received pursuant to Rule 21.

**"Trivial "**

Member's or former Member's service with a participating Employer do not exceed the A Beneficiary's benefits are Trivial if the aggregate of them arising in respect of a value of a pension of £260 a year or such higher amount which may be prescribed from time to time by regulations made under Section 77 of the 1993 Act and is consistent with Approval.

**"Trust Corporation"**

A trust corporation as defined in the Trustee Act 1925.

**"Trustees"**

The Member Trustees and the Pensioner Trustee from time to time. The expression "Trustee" will be construed accordingly.

**"1988 Act"**

The Income and Corporation Taxes Act 1988 and any statutory amendment, modification or re-enactment thereof.

**"the 1993 Act"**

The Pension Schemes Act 1993.

## **SCHEDULE 3**

### **Inland Revenue Definitions and Requirements**

In these rules the following expressions will have the meanings ascribed to them:-

- (1) **"Aggregate Retirement Benefit"** will mean the aggregate of
  - (i) the Member's pension under this Scheme and any Associated Scheme, and
  - (ii) the pension equivalent of the Member's Lump Sum Retirement Benefit.
- (2) **"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 the 1988 Act, or in the case of a close company, section 416 of the 1988 Act.
- (3) **"Associated Scheme"** will mean any Relevant Scheme providing benefits in respect of Service.
- (4) **"Class A Member"** will mean any Member who is not a Class B or Class C Member.
- (5) **"Class B Member"** will mean any Member:-
  - (a) who, on or after 17 March 1987 and before 1 June 1989, joined the Scheme being a scheme which commenced before 14 March 1989, or
  - (b) who the Board have agreed in writing to be a Class B Member by virtue of previous membership of a Relevant Schemeand, in either case, has not opted to become a Class A Member.
- (6) **"Class C Member"** will mean any Member who joined the Scheme before 17 March 1987 or who joined subsequently and who the Board have agreed in writing to be a Class C Member by virtue of previous membership of a Relevant Scheme and, in either case, has not opted to become a Class A Member.
- (7) **"Connected Scheme"** will mean any Relevant Scheme which is connected with the Scheme in relation to the Member i.e. if
  - (a) there is a period during which the Member has been the employee of 2 Associated Employers;
  - (b) that period counts under both schemes as a period in respect of which benefits are payable; and
  - (c) the period counts under one scheme for service with one employer and under the other for service with the other employer.
- (8) **"Final Remuneration"** will mean the greater of:
  - (a) the highest remuneration upon which tax liability has been determined for any one of the 5 years preceding the Relevant Date being the aggregate of:-
    - (i) the basic pay for the year in question, and
    - (ii) the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year, of any Fluctuating Emoluments provided that Fluctuating Emoluments of a year other than the basic pay year may be increased in proportion to the Index from the last day of that year up to the last day of the basic pay year. Remuneration that is received after the Relevant Date and upon which tax liability has been determined will be treated as a Fluctuating Emolument

(providing it was earned or qualified for prior to the Relevant Date). In these circumstances it may be included provided the yearly average of 3 or more consecutive years begins no later than the commencement of the basic pay year; or

- (b) the yearly average of the total emoluments from the Employer which are assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any 3 or more consecutive years ending not earlier than 10 years before the Relevant Date. Where such emoluments are received after the Relevant Date but are earned or qualified for prior to that date, they may be included provided that in these circumstances the yearly average of 3 or more consecutive years begins no later than the commencement of the year ending with the Relevant Date.

Provided that:-

- (i) remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or any interest in shares or from a right to acquire shares (except where the shares or rights etc which give rise to such an amount liable to tax under Schedule E had been acquired before 17 March 1987) or anything in respect of which tax is chargeable by virtue of section 148;
- (ii) in relation to a Controlling Director, final remuneration will be the amount ascertained in accordance with (b) and (a) above will not apply;
- (iii) in relation to any other employee whose remuneration in any year subsequent to 5 April 1987 used for the purpose of calculating benefits has exceeded £100,000 (or such other figure as may be prescribed by the Treasury), final remuneration will not exceed the amount ascertained in accordance with (b) above and (a) above will not apply, unless the individual chooses to adopt £100,000 (or such other figure as may be prescribed by the Treasury);
- (iv) where final remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date the member's remuneration or total emoluments of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date. For a Class C Member this proviso will not apply to the calculation of the maximum Lump Sum Retirement Benefit unless the member's aggregate total benefits are similarly increased beyond the maximum amount which could be paid but for this proviso and/or the first sentence of (a)(ii) above and then only to the same proportionate extent;
- (v) for Class A Members final remuneration will not exceed the Permitted Maximum;
- (vi) for the purpose of calculating the maximum Lump Sum Retirement Benefit of a Class B Member final remuneration will not in any event exceed £100,000 (or such other figure as may be prescribed by the Treasury);
- (vii) an employee who remains, or is treated as remaining, in service but by reason of Incapacity is in receipt of a much reduced remuneration i.e. under a sick pay or permanent health insurance scheme, for more than 10 years up to the Relevant Date, may calculate final remuneration under (a) or (b) above with the final remuneration calculated at the cessation of normal pay and increased in accordance with the Index;
- (viii) the total amount of any profit related pay (whether relieved from income tax or not) may be classed as pensionable remuneration and treated as a Fluctuating Emolument;
- (ix) an early retirement pension in payment from the Employer may not be included in final remuneration.

Notes: Except as in proviso (i) above, benefits in kind may be taken into account when they are assessed to income tax as emoluments under Schedule E, and will normally be regarded as Fluctuating Emoluments. If benefits are not so assessable, they may not be included as part of final remuneration except with the agreement of the Pension Schemes Office.

Where at the relevant date Final Remuneration cannot be precisely established because tax liability on all the constituent elements of Remuneration for the year or years in question has not been determined, Final Remuneration may be calculated on the appropriate basis above using those elements of Remuneration which have been finally determined for tax purposes. Immediate "on account" pension and lump sum benefits may be provided based on Final Remuneration so calculated. When tax liability on Remuneration is finally determined, and Final Remuneration re-calculated providing scope for further benefits (both pension and lump sum) these may be paid but they must not cause total benefits to exceed Inland Revenue limits calculated as at the date benefits were first taken.

Where the above applies in the case of a Class A Member and whose Lump Sum Retirement Benefit is calculated as a greater amount that will not prejudice Approval pursuant to Paragraph (2) of Part I of these Rules a subsequent additional lump sum will not be possible if Final Remuneration is not finally determined for tax purposes until after the end of the first year in which the Pension has been in payment.

Where immediate benefits are not being provided or where a transfer payment is to be made in respect of accrued pension benefits then final remuneration may only be calculated using remuneration assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined.

- (9) **"Fluctuating Emoluments"** are any part of an employee's earnings which are not paid on a fixed basis and are additional to the basic wage or salary. They include overtime, commission, bonuses or benefits in kind as long as they are assessable to tax under Case I or II Schedule E and profit related pay (see proviso (viii) to definition of Final Remuneration). Directors' fees may rank as fluctuating emoluments according to the basis on which they are voted.
- (10) **"Index"** will mean the Government's Index of Retail Prices.
- (11) **"Lump Sum Retirement Benefit"** will mean the total value of all retirement benefits payable in any form other than non-commutable pension under this and any Associated Scheme.
- (12) **"Pensionable Service"** will have the meaning ascribed to it by paragraph 3 Schedule 16 Social Security Act 1973.
- (13) **"Permitted Maximum"** is to be construed as defined in section 590C(2) of the 1988 Act.
- (14) **"Relevant Date"** will mean the date of retirement, leaving Pensionable Service or death as the case may be.
- (15) **"Relevant Scheme"** will mean any other scheme approved or seeking approval under Chapter I Part XIV of the 1988 Act and in respect of a Class A member who is a Controlling Director also any retirement annuity contract or trust scheme approved under Chapter III Part XIV of any personal pension scheme as approved under Chapter IV Part XIV of the 1988 Act insofar as it provides benefits secured by contributions in respect of Service.
- (16) **"Remuneration"** in relation to any year will mean the aggregate of the total emoluments for the year in question from the Employer and which are assessable to Income Tax under Schedule E but excluding any amounts which arise from the acquisition or disposal of shares or any interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of

section 148 of the 1988 Act. Provided that for a Class A Member there will be disregarded any emoluments in excess of the Permitted Maximum.

(17) **"Retained Death Benefits"** will mean any lump sum benefits payable on the Member's death from:

- (a) retirement benefits schemes approved or seeking approval under Chapter 1 Part XIV of the 1988 Act or relevant statutory schemes as defined in section 611A thereof;
- (b) funds to which section 608 of the 1988 Act applies;
- (c) retirement benefits schemes which have been accepted by the Inland Revenue as "corresponding" in respect of a claim made on behalf of the Member for the purposes of section 596(2)(b) of the 1988 Act;
- (d) retirement annuity contracts approved under Chapter III Part XIV of the 1988 Act, or
- (e) term life provisions under personal pension schemes approved under Chapter IV Part XIV of the 1988 Act,
- (f) transfer payments from overseas schemes held in a type of arrangement defined in (a) (d) or (e) above

in respect of previous employment's or periods of self-employment (whether alone or in partnership). If the Retained Death Benefits do not exceed £2,500 in total they may be ignored.

If the Member is not a Controlling Director and his or her earnings in the 12 months after entry to the Scheme (in this context including any other Relevant Scheme providing benefits in respect of service with the current Employer) do not exceed one quarter of the Permitted Maximum, benefits from these sources, other than those transferred into the Scheme, shall not be classed as Retained Death Benefits.

(18) **"Service"** will mean service with the Employer or an Associated Employer or, except in relation to a Class A Member who is a Controlling Director of either employer, an employer who is associated with the Employer only by virtue of a permanent community of interest.

## PART 1

### INLAND REVENUE LIMITS RULE

#### CLASS A MEMBERS

Notwithstanding anything to the contrary in the Scheme provisions, the benefits payable to a Class A Member or his Dependants or other beneficiaries in respect of him will not when aggregated with all benefits of a like nature provided under all Associated Schemes exceed the limits set out below:

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

- (a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Pension Date on grounds of Incapacity, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- (b) on retirement at any time before Normal Pension Date on grounds of Incapacity a pension of the amount which could have been provided at Normal Pension Date in accordance with paragraph (1)(a) above, Final Remuneration being computed as at the actual date of retirement;



- (c) on leaving Pensionable Service before attaining age 75, a pension of 1/60th of Final Remuneration for each year of that Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased by 5% for each complete year or if greater in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with Social Security legislation is also allowable.
  - (d) Benefits for a Class A Member are further restricted to ensure that this total retirement benefit from this scheme and from any Associated Scheme or Connected Scheme does not exceed a pension of 1/30th of the Permitted Maximum for each year of service, subject to a maximum of 20/30ths. For the purpose of this limit, service is the aggregate of Service and any period of service which gives rise to benefits under a Connected Scheme provided that no period is to be counted more than once.
  - (e) For the purpose of calculating the Aggregate Retirement Benefit or the total retirement benefit in (a) to (d) above, the pension equivalent of any Lump Sum Retirement Benefit is one twelfth of its total cash value.
- (2) The Member's Lump Sum Retirement Benefit will not exceed:-
- (a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Pension Date on grounds of Incapacity, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
  - (b) on retirement at any time before Normal Pension Date on grounds of Incapacity the amount which could have been provided at Normal Pension Date in accordance with paragraph (2)(a) above; Final Remuneration being computed as at the actual date of retirement;
  - (c) on leaving Pensionable Service before attaining age 75, a lump sum of 3/80ths of Final Remuneration for each year of that Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

## **CLASS B OR C MEMBERS**

Notwithstanding anything to the contrary in the Scheme provisions, the benefits payable to a Class B or C Member or to his Dependents or other beneficiaries in respect of him will not when aggregated with all benefits of a like nature provided under all Associated Schemes exceed the limits set out below:

- (1) The Member's Aggregate Retirement Benefit will not exceed:-
- (a) on retirement at or before Normal Pension Date, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
  - (b) on retirement at any time before Normal Pension Date on grounds of Incapacity a pension of the amount calculated in accordance with paragraph (1)(a) above as if the Member had remained in Service until the Normal Pension Date, Final Remuneration being computed as at the actual date of retirement;
  - (c) on retirement after Normal Pension Date, a pension of the greatest of:-
    - (i) the amount calculated in accordance with paragraph (1)(a) above on the basis that the actual date of retirement was the Member's Normal Pension Date;

- (ii) the amount which could have been provided at Normal Pension Date in accordance with paragraph (1)(a) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period, and
- (iii) where the Member's total Service has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Service before Normal Pension Date (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Service after Normal Pension Date, with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (i) and (iii) above as the actual date of retirement, but subject always to paragraph 4 below;

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

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

- (a) on retirement at or before Normal Pension Date, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- (b) on retirement at any time before Normal Pension Date on grounds of Incapacity the amount calculated in accordance with paragraph (2)(a) above as if the Member had remained in Service until the Normal Pension Date, Final Remuneration being computed as at the actual date of retirement;
- (c) on retirement after Normal Pension Date, the greatest of:-
  - (i) the amount calculated in accordance with paragraph (2)(a) above on the basis that the actual date of retirement was the Member's Normal Pension Date;
  - (ii) the amount which could have been provided at Normal Pension Date in accordance with paragraph (2)(a) above together with an amount representing interest thereon, and
  - (iii) where the Member's total Service has exceeded 40 years, the aggregate of 3/80ths of Final Remuneration for each year of Service before Normal Pension Date (not exceeding 40 such years) and of a further 3/80ths of Final Remuneration for each year of Service after Normal Pension Date with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (i) or (iii) above as at the actual date of retirement, but subject always to paragraph (4) below;

- (d) on leaving Pensionable Service before Normal Pension Date, a lump sum of 3/80ths of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

(3) If a Member elects under the Rules to take any part of his benefits under this Scheme in advance of actual retirement, the limits set out in paragraphs (1) and (2) above will apply as if he had

retired at the date of the election as aforesaid, no account being taken of subsequent Service, save that the maximum amount of any uncommuted pension not commencing immediately may be increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period.

- (4) The preceding provisions of this Rule will be modified in their application to a Member who is a Controlling Director as follows:-
- (a) the amount of the maximum Aggregate Retirement Benefit in paragraph (1) and of the maximum Lump Sum Retirement Benefit in paragraph (2) will be reduced, where necessary for Approval, to take account of any corresponding benefits under retirement annuity contracts or trust schemes approved under Chapter III Part XIV of the 1988 Act or under personal pension schemes approved under Chapter IV Part XIV of the 1988 Act;
  - (b) where retirement takes place after Normal Pension Date but not later than the Member's 70th birthday, paragraph (1)(c)(ii) and (1)(c)(iii) and paragraph (2)(c)(ii) and (2)(c)(iii) will not apply, and if retirement is later than the attainment of that age, the said paragraphs will apply as if the Member's 70th birthday had been specified in the Rules as his Normal Pension Date, so as not to treat as Service after Normal Pension Date any Service before the Member reaches the age of 70;
  - (c) where paragraph (3) applies to him, the rate of the actuarial increase referred to therein in relation to any period of deferment prior to his attaining the age of 70, will not exceed the percentage increase in the Index during that period.

## **PART 2**

### **OTHER CONDITIONS RELATING TO CLASS A MEMBERS**

#### **A MEMBER'S CONTRIBUTIONS**

A Member is required to contribute to the Scheme (if at all) in accordance with the Rules. A Member may make voluntary contributions to secure additional benefits for himself and/or his Dependants. Any retirement benefits so secured must be in the form of non-commutable pension except to the extent to which the provision of the Scheme allow commutation of trivial pensions or on the grounds of serious ill health.

The contributions paid to the Scheme by a Member in a year of assessment will not exceed either:

- (i) when aggregated with the Member's contributions to any other exempt approved schemes, 15 per cent of the Member's Remuneration, or
- (ii) when aggregated with the Member's contributions to any schemes which are Associated or Connected Schemes, 15 per cent of the Permitted Maximum.

#### **B CONTINUED LIFE COVER**

Any provision in the rules to provide a lump sum benefit on the death of a Member occurring after retirement on pension (other than a payment under a guarantee of pension provision) will be restricted in respect of a Member who joined the Scheme on or after 1 October 1991 to exclude any provision other than on death occurring before the Normal Pension Date and after retirement on grounds of Incapacity. The amount of the benefit will not exceed the amount payable had the Member died immediately before retirement increased in proportion to any increase in the Index between the date of the Member's retirement and the date of death.

## **C PAYMENT OF RETIREMENT BENEFITS**

- 1 The payment of a Member's retirement benefits will not commence earlier than the Member attaining age 50, except on retirement on grounds of incapacity, nor later than attaining age 75.
- 2 No part of the Member's retirement benefits is to be paid in advance of actual retirement except as necessary to comply with paragraph C1 above or to the extent necessary to comply with the requirements of the Pension Schemes Act 1993.

## **PART 3**

### **OTHER CONDITIONS RELATING TO CLASS B OR C MEMBERS**

#### **A MEMBER'S CONTRIBUTIONS**

A Member is required to contribute to the Scheme (if at all) in accordance with the Rules. A Member may make voluntary contributions not exceeding, when aggregated with his contributions to any Associated Scheme, in a year of assessment 15% of his Remuneration for that year, to secure additional benefits. Where such voluntary contributions commence on or after 8 April 1987 any retirement benefits so secured must be in the form of non-commutable pension for himself and/or his Dependants, except to the extent to which the provisions of the Scheme allow commutation of trivial pensions or on the grounds of serious ill health.

#### **B TRANSFERS**

- 1 Any retirement benefits arising by virtue of the receipt by the Scheme of a transfer value (other than from another scheme providing benefits in respect of Service) will not be capable of commutation unless and then only to the extent that a certificate has been obtained from the administrator of the transferring scheme showing the maximum lump sum payable from the transfer value. The amount so certified may be increased in proportion to any increase in the Index since the date the transfer payment was received.
- 2 When, on or after a transfer having been made to another occupational pension scheme, the administrator of that scheme requests such a certificate as is referred to in paragraph B1 above, the Administrator will calculate as at the date of the transfer the maximum lump sum payable on retirement from the transfer value and certify that amount to the receiving scheme.

## **PART 4**

### **OTHER CONDITIONS RELATING TO ALL MEMBERS**

#### **1 LUMP SUM DEATH BENEFIT**

The lump sum benefit (exclusive of any refund of the Member's own contributions not applied specifically to secure the payment of benefits on the Member's death and any interest thereon) payable on the death of a Member while in Service or, (having left Pensionable Service with a deferred pension) before the commencement of his pension, shall not, when aggregated with all benefits of a like nature under all Associated Schemes, exceed the greater of:

- (a) £5,000, and
- (b) 4 times the greater of:
  - (i) the annual rate (subject, for a Class A Member, to the Permitted Maximum) of the Member's basic salary or wages at the date of death or leaving Pensionable Service together with the yearly average of Fluctuating Emoluments received in the 3 years (or the whole period of Service if less) up to the date of death or leaving Pensionable Service, and

- (ii) the Member's total emoluments (subject, for a Class A Member, to the Permitted Maximum) of any selected period of 12 months ending not earlier than 36 months before the date of death.
- (iii) Final Remuneration disregarding provisos (i) (ii) and (iii) of that definition less Retained Death Benefits.

## **2 DEPENDANTS' PENSIONS**

Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender or allocation of the Member's own pension, payable to that Dependant under all Associated Schemes, will not exceed an amount equal to two thirds of the maximum Aggregate Retirement Benefit payable to the Member immediately before death under Part 1 above. Where the death of the Member occurs whilst in Service before the Normal Pension Date the maximum is that appropriate had the Member retired on grounds of Incapacity on the date of death entitled to no retained benefits from previous employment's.

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents' pensions payable in respect of him under this and all Associated Schemes will not exceed the full amount of the maximum Aggregate Retirement Benefit described in the previous paragraph of this rule.

## **3 INCREASES OF PENSIONS IN PAYMENT**

The maximum amount of a pension ascertained in accordance with Part 1 or Part 4 of this Rule less any pension which has been commuted for a lump sum or the pension equivalent of any benefits in lump sum form and any pension surrendered to provide a Dependant's pension may be increased by 3% for each complete year or if greater, in proportion to any increase in the Index since the pension commenced.

## **4 SURPLUS AVCs**

Where the application of the limits in this Rule requires the quantum of the Aggregate Retirement Benefit to be restricted and the Member has paid additional voluntary contributions to supplement scheme benefits, that restriction will first be effected on those supplementary benefits so as to permit the repayment of the surplus additional voluntary contributions subject to section 599A of the 1988 Act.

The administrator of the scheme will comply with the requirements of Regulation 5 of The Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993 [SI 1993 No 3016] and where the scheme is the "leading scheme" in relation to a member, with the requirements of Regulation 6 of those Regulations so far as they concern main schemes. If these Regulations are amended or replaced by any other Regulations then this Rule will have effect as if it had been amended or replaced accordingly.

## **5 TRANSFERS**

- (a) The benefits arising on retirement from a transfer value will not be capable of commutation nor will they be paid in lump sum form if the transfer is accompanied by a certificate from the administrator of the transferring scheme to the effect that the transfer value is not to be used to provide benefits in lump sum form.
- (b) When making a transfer to an approved personal pension scheme the Administrator will provide a certificate of the maximum lump sum payable on retirement from the transfer value if the transferring member:
  - (a) was aged 45 or more at the time that the transfer payment was made, or

- (b) has at any time within the 10 years preceding the date on which the right to the cash equivalent being transferred arose, been, in respect of any employment to which the transfer payment or any part of it relates, either
  - (i) a Controlling Director, or
  - (ii) in receipt of annual remuneration in excess of £60,000 or, if greater, the allowable maximum (i.e. the equivalent for personal pension schemes of the Permitted Maximum) for the year of assessment in which the date of transfer falls, or
- (c) is entitled to benefits included in the transfer payment which arise from an occupational pension scheme under which the normal retirement age is 45 or less.

## PART 5

### SMALL SELF-ADMINISTERED SCHEMES

Notwithstanding anything to the contrary in the Scheme provisions the following rules [1 to 9] shall have full effect except that they may not be construed as conferring powers on the Trustees which they do not otherwise have by virtue of the Trust Deed and Rules.

1. In these rules (Part 5 of Schedule 3) the following expressions shall have the meanings ascribed to them:
  - (a) **"Business"** includes
    - (i) a trade or profession, or
    - (ii) any activity other than investment carried on by a body of persons, whether corporate or unincorporate, or
    - (iii) any activity carried on by a holding company for a trading group.
  - (b) **"Close Company"** has the meaning given by sections 414 and 415 of the 1988 Act.
  - (c) **"Company"** means any body corporate or unincorporated association, but does not include a partnership.
  - (d) **"Control"** in relation to a body corporate (other than a Close Company) or partnership shall be construed in accordance with section 840 of the 1988 Act and in relation to an unincorporated association that section shall be applied as it applies to a body corporate.  
  
In relation to a Close Company "Control" shall be construed in accordance with section 416 of the 1988 Act.
  - (e) **"Ordinary Annual Contributions"** means for the purpose of Rule 2 the smaller of:
    - (i) the amount found-
      - (A) where the scheme has been established for three years or more at the time of any borrowing, by dividing the amount of contributions paid by employers in the period of three years which ended at the end of the previous accounting period of the scheme by three, or

- (B) where the scheme has been established for less than a three years at the time of any borrowing, by dividing the amount of the contributions paid by employers in the period since the scheme was established ending at the time of that borrowing by the number of years falling within that period (a part of a year being counted as one year), and
    - (ii) the amount of the annual contribution which, within the period of 3 years immediately preceding the date of the borrowing, an Actuary has advised in writing would be necessary to secure the benefits payable under the Scheme.
  - (f) **"Pensioner Trustee"** means a Trustee of the Scheme who:
    - (i) is approved by the Board of Inland Revenue to act as
    - (ii) is not connected with a Scheme Member, another Trustee or an Employer.
  - (g) **"Private Company"** means a company which is not officially listed on a recognised stock exchange within the meaning of section 841 of the 1988 Act.
  - (h) **"Relative"** means a brother, sister, ancestor or lineal descendant.
  - (i) **"Residential Property"** means property normally used, or adapted for use as one or more dwellings.
  - (j) **"Scheme Member"** means a Member of the Scheme to whom benefit is currently accruing by virtue of service as an Employee.
- 2. For the purpose of these rules any question of whether a person is connected with another shall be determined as follows:
  - (a) a person is connected with an individual if that person is the individual's spouse or is a Relative or the spouse of a Relative of the individual or of the individual's spouse;
  - (b) a Scheme Member is connected with an Employer if:
    - (i) the Employer is a partnership and the Scheme Member is connected with a partner, or
    - (ii) the Employer is a Company and the Scheme Member or any person connected with him or her is, or has been during the last 10 years, a Controlling Director of the Company;
  - (c) a Company is connected with another Company if:
    - (i) the same person has Control of both, or
    - (ii) a person has Control of one and persons connected with that person have Control of the other, or
    - (iii) a person has Control of one and that person and persons connected with that person have Control over the other;

- (d) a Company is connected with another person if that person has Control of it or if that person and a person or persons connected with him or her together have Control of it;
  - (e) any two or more persons acting together to secure or exercise Control of a Company shall be treated in relation to that Company as connected one with another and with any person acting on the directions of any of them to secure or exercise Control of the Company.
3. For the purpose of these rules a Company is associated with an Employer if (directly or indirectly) the Employer Controls that company or that company Controls the Employer or if both are Controlled by a third person.
4. For the purpose of these rules, a Member of the Scheme includes:
- (a) a Scheme Member,
  - (b) a person in receipt of a pension from the Scheme, or
  - (c) a person who has been a Scheme Member.

## 2 PROVISIONS AS TO BORROWING

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

- (a) three times the Ordinary Annual Contribution, and
- (b) three times the annual amount of contributions paid or payable as a condition of membership by Scheme Members in the year of assessment ending immediately before the borrowing takes place, and
- (c) the amount found by the formula -

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

where -

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

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

## 3 PROVISIONS AS TO INVESTMENT

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

- (a) personal chattels other than choses in action
- (b) Residential Property other than that which is, or is to be, occupied:



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

For the purposes of this rule the Trustees are not regarded as

- (A) holding a Residential Property where they hold as an investment units in a unit trust scheme:
  - (i) which is an authorised unit trust scheme within the meaning of section 468(6) of the 1988 Act, or
  - (ii) an exempt unit trust within the meaning of section 96 of the Capital Gains Tax Act 1979, and
  - (iii) that unit trust scheme holds Residential Property as an investment.
- (B) indirectly holding as an investment Residential Property other than specified in paragraph (b) where -
  - (i) they hold as an investment subject to the trusts of the Scheme a right which confers entitlement to receive payment of any rent charge, ground annual, feu duty or other annual payment reserved in respect of, or charged on or issuing out of , that property, and
  - (ii) the property is not occupied by a scheme member or a person connected with him

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

- (a) to a Member of the Scheme or to a person who is connected with a Member of the Scheme other than an Employer or any Company associated with an Employer; or
- (b) to an Employer or a Company associated with an Employer unless the loan is:
  - (i) utilised for the purpose of the borrower's Business, and
  - (ii) for a fixed term, and
  - (iii) at a commercial rate of interest, and
  - (iv) evidenced by an agreement in writing which contains all the conditions on which it is made and, in particular, the provisions specified in paragraph (c) below;
- (c) the provisions specified in this paragraph are that the lending shall be repaid immediately if:

- (i) the borrower is in breach of the conditions of the agreement; or
- (ii) the borrower ceases to carry on business; or
- (iii) the borrower becomes insolvent within the meaning defined for the purposes of Regulation 6 of the Retirement Benefit Schemes (Restriction on Discretion to Approve) (Small Self-administered Schemes) Regulations 1991; or
- (iv) the money is required to enable the Trustees to pay benefits which have already become due under the Scheme.

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

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

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

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

where -

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

F is the aggregate of any sums borrowed to purchase those assets which are outstanding at that time, and any other liabilities incurred by the trustees which are outstanding at that time, other than liabilities to pay benefits under the Scheme - and shall not, where that time is during the period of two years from the date in which the Scheme was established, exceed the amount found of the formula -

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

where -

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

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

## **6 PROVISIONS AS TO TRANSACTIONS WITH MEMBERS OF THE SCHEME**

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

## **7 PROVISIONS AS TO TRANSACTIONS WITH EMPLOYERS AND ASSOCIATED COMPANIES**

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

## **8 PROVISIONS AS TO PENSIONER TRUSTEES**

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

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

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

## **9 PROVISION OF INFORMATION TO INLAND REVENUE**

- (1) Within 90 days of any transaction by the Trustees such as is specified in paragraph (2) below the Administrator will furnish the Board of Inland Revenue with such information and documents as the Board requires.
- (2) The transactions specified are:
  - (a) the acquisition or disposal of land (including buildings or other structures);

- (b) the lending of money to an Employer or a Company associated with an Employer;
- (c) the acquisition or disposal of shares in an Employer or a Company associated with an Employer;
- (d) the acquisition or disposal of shares in a Private Company;
- (e) the borrowing of money; or
- (f) the purchase, sale or lease from or to an Employer or a Company associated with an Employer of any investment or asset.

**NPI TRUSTEE SERVICES LIMITED**  
**COMPARISON OF OLD DEED WITH NEW DEFINITIVE TRUST DEED**  
**SMALL SELF ADMINISTERED SCHEMES**

N.B. The Old Deed consists of The Deed and The Rules. The establishment of the Scheme is dealt with in the Deed and the remaining provisions are all contained in the Rules. The New Deed also consists of the Deed and the Rules. All administrative provisions are comprised in the Deed and all benefit provisions in the Rules.

CONTRIBUTIONS	CLAUSE/RULE	COMMENTS
<b>Employer's Contributions</b>		
<b>Old Deed</b>	<b>Rule 3.1(1)</b>	<b>The Employer will contribute to the Scheme on behalf of the Member at such rate as the Member decides.</b>
<i>New Deed</i>	<i>Rule 6.1</i>	<i>The Employer will pay such contributions to the Scheme as agreed between the Principal Employer and the Trustees, after consultation with the Actuary.</i>
	<i>Rule 6.2</i>	<i>The new deed contains wider provisions regarding how contributions are paid and the payment of additional contributions Contributions are to be paid direct to Trustees at such intervals as the Trustees with the consent of the Principal Employer determine.</i>
	<i>Rule 6.3</i>	<i>The Employer may pay further contributions to the Trustees for the general purpose of the Scheme or for a specific purpose. Extra contributions can be paid provided approval of the Scheme is not prejudiced.</i>
<b>Old Deed</b>	<b>Rule 3.1(2)</b>	<b>The Employer may reduce or cease contributing to the Scheme by giving three months' notice to the Managing Trustees and the Pensioner Trustee. The Managing Trustees and the Pensioner Trustee will then notify any Member affected and make any alterations to the Scheme as necessary.</b>
<i>New Deed</i>	<i>Rule 6.4</i>	<i>The Employer can sever its obligation to make future contributions to the Scheme by giving three months' notice in writing to the Trustees.</i>
	<i>Rule 6.5</i>	<i>In respect of future contributions the Employer has the power to suspend or reduce its obligations by giving three months' written notice the Trustees. The Trustees have the power to wind-up the Scheme once such notice has been given.</i>
	<i>Rule 6.6</i>	<i>If the Pensions Act 1995 requires the Trustees to do so, they are to prepare and maintain a schedule of contributions.</i>
<b>Employees' contributions</b>		
<b>Old Deed</b>	<b>Rule 3.2(1)</b>	<b>A Member will contribute to the Scheme at a rate decided by the Employer and notified to him in writing. Members' contributions will be deducted from earnings and paid to the Trustees by the Employer.</b>
<i>New Deed</i>	<i>Rule 4.1</i>	<i>The Employer is to determine the amount the Member is to contribute to the Scheme and notify the Member in the Announcement Letter. The contribution rate will not be altered within twelve months of the first payment unless the Inland Revenue agrees.</i>

	Rule 4.3	<b>The new deed contains a separate rule regarding the deduction of member contributions</b> The Employer will deduct the member contributions from the Member's earnings and pay them as soon as possible to the Trustees in such manner as they require.
	Rule 4.2	<b>The new deed contains more detailed provisions regarding contributions</b> Contributions will start on the first pay date after admission to membership of the Scheme and end when membership comes to an end.
	Rule 4.4	If the actuary confirms that Member contributions are excessive the Trustees may terminate, suspend or reduce contributions.
Old Deed	Rule 3.2(2)	<b>A Member may make voluntary contributions to secure additional benefits for himself and/or his dependants. The Managing Trustees and the Pensioner Trustee must be satisfied that these benefits are reasonable, taking into account the amount of the Member's contributions and the value of his other benefits.</b>
New Deed	Rule 5	<b>The new deed contains a detailed Rule on Member's additional voluntary contributions.</b> The Rule sets out how additional voluntary contributions are to be paid, what they are to be used for and the tax aspects. The Member Trustees will hold the additional voluntary contributions separate from the assets of the Scheme. On a partial or total wind-up the additional voluntary contributions are not to be used for the general purpose of the Scheme.
<b>Application of Contributions</b>		
Old Deed	Rule 3.3(1)	<b>The Managing Trustees and the Pensioner Trustee will hold all contributions, assets, income and property on trust as a common trust fund to pay benefits under the Scheme.</b>
New Deed	Clause 14.1	The new deed contains a definition of "Fund" which includes money, assets, property and investments. The Fund will be vested in the Trustees as joint tenants and held upon irrevocable trusts.
Old Deed	Rule 3.3(2)	<b>The Managing Trustees and the Pensioner Trustee will allocate to each part of the Member's fund contributions received in respect of that Member and a fair share (determined with the advice of the Actuary) of the income gains and losses arising on the assets of the Scheme.</b>
	Rule 3.3(3)	<b>If they effect an insurance policy on the life of the Member any proceeds or premiums from the policy will be credited to the Member's part of the fund.</b>
New Deed	Definition of "Member's Account"	The Member Trustees (on the Actuary's advice) allocate the appropriate part of Scheme assets to each Member. The allocation includes any lump sum death benefits payable.
Old Deed	Rule 3.3(4)	<b>Any allocation of assets is for benefit calculation purposes only. No beneficiary is entitled to any specific assets of the Scheme.</b>
New Deed	Definition of "Member's Account"	This contains similar provision confirming no Member is entitled to any specific assets of the Scheme.

RETIREMENT BENEFITS	CLAUSE/RULE	COMMENTS
Old Deed	Rule 4.1(a) Rule 4.2(1)	If a Member wishes to retire at normal retirement age the Managing Trustees and the Pensioner Trustee, after consulting with the Actuary, will calculate the value of the fund relating to the Member. They will provide a pension and/or cash sum in accordance with the benefit basis applicable to him. The pension will be provided for the Member from normal retirement age and on his death a pension will (if appropriate) be payable to one or more of his spouse and dependants.
New Deed	Rule 7	A Member may retire at normal retirement age and be paid benefits calculated in the same way as above. This Rule also covers the purchase of an annuity contract and increases to pensions.
Old Deed	Rule 4.1(b) & (c) Rule 4.1(2) Rule 4.2(1)	A Member may retire early if he is age 50 and has left service and retired. If the Managing Trustees and the Pensioner Trustee are satisfied he can also retire early on the grounds of incapacity.  The consent of the Member's Employer must be obtained by the Managing Trustees and the Pensioner Trustee for the Member to retire early on any grounds. Benefits will be calculated in the same way as if he had retired at normal retirement age.
New Deed	Rule 9	A Member may retire early after attaining age 50 or at any time on the grounds of incapacity. The consent of the Trustees and the Principal Employer is required to retire early on any grounds. His pension will be paid in the same way as if he was retiring at normal retirement.  The Rule also provides that if a Member wants to retire on the grounds of incapacity he must provide satisfactory evidence to the Trustees and attend a medical examination. It also provides that if a controlling director is to retire early on the grounds of incapacity the Trustees are to provide the Inland Revenue 28 days' notice of such retirement.
Old Deed	Rule 4.1(d) Rule 4.2(1)	A Member may take late retirement. Benefits will be calculated in the same way as if he had retired at normal retirement age.
New Deed	Rule 8	Late retirement requires the written consent of the Principal Employer. If the Principal Employer gives his consent the Member is entitled to either benefits at normal retirement age or benefits at a date between his normal retirement age and the date he actually retires.
Old Deed	Rule 4.1(3)	If a Member chooses to take his benefits on leaving service before normal retirement, the Managing Trustees and the Pensioner Trustee must be reasonably satisfied they are equal in value to short service benefits.
New Deed	Rule 22	The Trustees only must be reasonably satisfied benefits are equal in value to short service benefits.
Old Deed	Rule 4.2(2)	A Member may exchange part or all of his benefits for a lump sum. The Managing Trustees and the Pensioner Trustee will calculate the amount of the lump sum on a basis agreed with the Inland Revenue.
New Deed	Rule 15.1	A Member or former Member who is entitled to a pension may choose (subject to Inland Revenue Limits) to commute part or all of his pension to a cash lump sum.

Rule 15.2

they choose to commute part of their pension this decision is to be made in writing to the Trustees before payment of the pension commences.

BENEFITS ON DEATH	CLAUSE/RULE	COMMENTS
Death before receiving any benefits		
Old Deed	Rule 5.1	If a Member dies before taking his retirement benefits the Managing Trustees and the Pensioner Trustee will calculate as a cash sum the part of the fund applicable to the Member to provide a lump sum and/or a pension payable to one or more of the Member's spouse and Dependants. If a pension is payable to a Member's spouse, the Managing Trustees and the Pensioner Trustee may decide to pay that pension to a Dependant (other than the spouse), if in their opinion, the Member and his spouse were separated at the date of his death.
New Deed	Rule 18.1	On the death of a Member, Deferred Pensioner or Postponed Pensioner the Member's part of the fund will be used to provide the following benefits:- <ul style="list-style-type: none"> <li>a lump sum equal to contributions made by the Member (if any) and any additional voluntary contributions and any transfer payments in respect of the Member plus interest at a rate determined by the actuary to be reasonable</li> <li>subject to Inland Revenue limits a lump sum equal to the amount remaining in the Member's part of the fund after the deduction of the above</li> <li>If there is still an amount remaining after the above this can be used to purchase an annuity for life for any one or more of the Nominees as decided by the Trustees.</li> </ul>
Death after receiving benefits		
Old Deed	Rule 5.2	If a Member dies after taking his retirement benefits, any spouse's or dependant's pension payable after his death will come into payment. If the Member has chosen a pension with a guaranteed period and he dies within that period, the value of the remaining instalments will be paid, either as a cash sum or as the instalments fall due. If a pension is payable to the Member's spouse, the Managing Trustees and the Pensioner Trustee may decide (after consultation with the Actuary) to pay that pension to a Dependant (other than the spouse) if, in their opinion, the Member and his spouse were separated at the date of his retirement.
New Deed	Rule 16.1	With the Trustees' consent, a Member, Deferred Pensioner or Postponed Pensioner may elect that part of their fund may be used to provide one or more Nominee's Pension. These will be of such amount as can be provided from the Member's Fund.
	Rule 16.2	If a Member elects to provide a Nominee's Pension he must give written notice to the Trustees before retirement.
	Rule 16.3	No election may be made to the extent it would reduce his Pension below the aggregate value of the Nominee's Pension.
	Rule 16.4	The relevant part of the election will be void if before the Member, Deferred Pensioner or Postponed Pensioner retires:-



		<ul style="list-style-type: none"> <li>the Nominee dies</li> <li>if the Nominee is the Spouse, the marriage is dissolved or they separate</li> <li>the Member withdraws his election, with the consent of the Trustees.</li> </ul>
	Rule 18.2	On the death of a pensioner a lump sum may be payable if a guarantee is attached to the pension secured for him at his actual retirement.
<b>Payment of lump sums on death</b>		
Old Deed	Rule 5.3(1)	<b>The Managing Trustees and the Pensioner Trustee will pay the lump sum for the benefit of one or more Beneficiaries in such shares as they in their absolute discretion think fit. This rule also sets out who will be included as a beneficiary.</b>
New Deed	Rule 18.3	<i>The Trustees only will decide how lump sums are to be distributed to or for the benefit of the deceased's dependants. If they are unable to locate or identify any dependants of the deceased they may at their discretion pay the lump sum in such proportions they decide to such other trust, person, body or organisation.</i>
Old Deed	Rules 5.3	<b>If the lump sum cannot be paid to the Beneficiaries within two years of the Member's death the Managing Trustees and the Pensioner Trustee will pay the cash sum to the Member's personal representatives. If the Member has left no will and the successor on the Member's intestacy is the Crown or the Duchy of Lancaster or Cornwall, the benefit will not be paid and the Managing Trustees and the Pensioner Trustee will either hold the money to offset further contributions from the Member's Employer or, after receiving the written agreement of the Inland Revenue, pay the sum to the Member's Employer.</b>
	Rule 5.3(3)	<b>The Managing Trustees and the Pensioner Trustee will hold all or part of the lump sum on such trusts and such powers as they see fit.</b>
New Deed	Rules 18.7 and 18.11	<p><i>All sums due are to be held by the Trustees separate from the other assets of the fund. They may also establish a trust for the benefit of one or more of persons to whom benefit may be paid. Any costs and expenses in setting up the trust may be deducted from the payment to the trust if the Trustees so decide.</i></p> <p><i>If the lump sum cannot be paid at the end of the two years the Trustees will pay it to the individual's estate. As in the old deed if the Member has left no will it would pass to the State but no payment will be made and the monies will be retained for the purpose of the Scheme</i></p>
	Rule 18.7	<i>The Trustees may extend the two year time period to such longer period as the Inland Revenue will allow.</i>
	Rule 18.8	<i>The Trustees may take account of any expression of wish form made by the deceased regarding the disposal of the lump sum.</i>
Old Deed	Rule 5.3(4)	<b>If a controlling director dies in service on or after his 75th birthday before he has received any benefits the Managing Trustees and the Pensioner Trustee will pay any lump sum to his spouse or if he has no spouse, to his personal representatives.</b>
New Deed	Rule 18.9	<i>The provision regarding a controlling director is the same in the new deed.</i>

LEAVING THE SCHEME	CLAUSE/RULE	COMMENTS
Leaving the Scheme		
Old Deed	Rule 6	A Member will leave the Scheme on the day on which he leaves service. A Member may also leave the Scheme without leaving service after he has given one month's notice in writing to his Employer and the Managing Trustees and the Pensioner Trustee.  "Service" is a defined term in the old deed but not in the new deed.
New Deed	Rule 3.1	An individual's membership of the Scheme will cease if he is no longer eligible or if he terminates his membership.
	Rules 3.2 and 3.3	Two months' written notice is to be given to the Trustees to withdraw from the Scheme. Membership will cease on the expiry of the notice.
	Rule 3.4	Re-admission to membership of the Scheme is with the consent of the relevant Employer and the Trustees. If consent is given, re-admission will be on such terms as the Trustees decide after taking advice from the Actuary.
Contributions		
Old Deed	Rule 6.2	A Member who leaves the Scheme will stop contributing to it and his Employer will not be required to pay further contributions for him. Any insurance which the Managing Trustees and the Pensioner Trustee have effected on the Member's life will cease.
New Deed	Rule 4.2	Contributions will start on the first pay date after admission to membership of the Scheme and end when membership comes to an end.
TRANSFERS TO AND FROM THE SCHEME	CLAUSE/RULE	COMMENTS
Old Deed	Rule 7.1(1)	The Managing Trustees and the Pensioner Trustee may accept a transfer payment into the Scheme in respect of a Member. The Managing Trustees and the Pensioner Trustee will not exercise this power unless the Scheme has received approval from the Inland Revenue.
	Rule 7.1(2)	The transfer payment will be applied to the Member's fund by the Managing Trustees and the Pensioner Trustee to provide increased benefits under the Scheme. The Managing Trustees and the Pensioner Trustee will ascertain the amount (if any) of the Member's contributions included in the transfer and treat this amount (but no more) as if the Member had contributed it to the Scheme.
New Deed	Rule 21	The Trustees (with the prior consent of the Principal Employer and the Inland Revenue) may accept a transfer payment into the Scheme in respect of a Member from another retirement benefit scheme or scheme approved by the Inland Revenue.  The transfer payment will be applied to the Member's fund as determined by the Trustees, after prior consultation with the Principal Employer and the Actuary, provided approval of the Scheme is not prejudiced.
Old Deed	Rule 7.2	A transfer of benefits from the Scheme will be possible if a Member leaves service at least one year before normal retirement age or leaves the Scheme at least one year before normal retirement age (without leaving service) or the Scheme is terminated. In these circumstances a Member is entitled to a cash

		<p>equivalent. The cash equivalent will be calculated by the Managing Trustees and the Pensioner Trustee. The cash sum will then be applied in one of the following ways:-</p> <ul style="list-style-type: none"> <li>to buy an annuity from an insurance company who will accept the transfer. The insurance company can be chosen by the Member. The annuity must satisfy the conditions of approval by the Inland Revenue</li> <li>to acquire transfer credits under a retirement benefit scheme which the Member has joined</li> <li>to make a transfer payment to a personal pension scheme approved by the Inland Revenue.</li> </ul> <p>The Member must apply in writing to transfer his benefits from the Scheme. The Member may withdraw his application before the Managing Trustees and the Pensioner Trustee make the transfer.</p> <p>Once a transfer out has been made the Managing Trustees and the Pensioner Trustee will be discharged from any liability.</p> <p>The Managing Trustees and the Pensioner Trustee shall calculate at the date of transfer the maximum lump sum payable on retirement and provide a certificate if the administrator of the receiving scheme requests.</p>
New Deed	Rule 19	<p><i>This clause provides that a Member may transfer his benefits to a personal pension scheme or another retirement benefits scheme or arrangement of which he becomes a member approved by the Inland Revenue to take transfers.</i></p> <p><i>The Trustees will pay to the receiving scheme the cash equivalent.</i></p> <p><i>If the Member requests the Trustees to do so they may apply the cash sum to purchase an annuity policy or contract from an insurance company.</i></p> <p><i>Once a transfer has been effected or an annuity policy or contract purchased the Member will have no further interest in the Scheme.</i></p>
	Rule 20	<p><i>The new deed also contains provisions regarding bulk transfers out which are not included in the old deed</i></p> <p><i>The Trustees with the consent of the Principal Employer may arrange for all or any of the beneficiaries to participate in another scheme. Provided the law is complied with such arrangements can be made without the consent of any of the persons concerned provided the Inland Revenue have given their consent.</i></p> <p><i>All or part of the assets and monies can be transferred to the other scheme upon terms agreed between the Trustees and the trustees or administrator of the other scheme.</i></p> <p><i>Again, once a transfer has been made the beneficiaries will have no further interest in the Scheme.</i></p>

TEMPORARY ABSENCE	CLAUSE/RULE	COMMENTS
Old Deed	Rule 8	<p>If a Member is temporarily absent from work, his Employer may decide to treat him as if he had remained in the Scheme accruing benefits as long as the Member returns to service, or does not become a Member of another retirement benefits scheme, or is not absent for more than three years or ten years if he remains resident in the UK. This period may be extended indefinitely if the Member is absent due to ill-health.</p> <p>If a Member is temporarily absent in other circumstances, the Managing Trustees and the Pensioner Trustee must obtain the prior agreement of the Inland Revenue before allowing him to remain in the Scheme.</p> <p>Contributions may continue to be paid in respect of a Member who is treated as remaining in the Scheme. If these contributions cease, any life assurance will also cease.</p>
New Deed	Rule 3.5	<i>The Principal Employer may direct the Trustees to treat a Member who is temporarily absent from work as if he had remained in the Scheme, subject to Inland Revenue approval not being prejudiced.</i>
	Rule 3.6	<i>If after ten consecutive years the Member has not returned to work his membership in the Scheme will terminate unless the Trustees and the Employer agree otherwise.</i>
Old Deed	Rule 8(4)	<b>If a Member is absent due to pregnancy or confinement she will be treated as remaining in the Scheme until she informs her Employer that she does not wish to do so. Contributions will be paid as above.</b>
New Deed	Rule 3.7	<i>A Member who is absent on maternity leave will be provided with such benefits as the law requires.</i>

PAYMENT OF PENSIONS	CLAUSE/RULE	COMMENTS
Old Deed	Rule 9	<p>On retirement, a pension for the Member will be secured by the purchase of an annuity from an insurance company in the name of the Managing Trustees and the Pensioner Trustee.</p> <p>The pension may be guaranteed for up to ten years from the date of the first payment. If the Member dies within this period, payment of the pension will continue until the guaranteed period expires.</p> <p>If the guaranteed period is more than five years a spouse's or dependant's pension may not begin until the end of the guaranteed period.</p> <p>If the guaranteed period is not more than five years, the value of the remaining Member's pension (excluding any increases) may be paid as a cash sum.</p> <p>The Managing Trustees and the Pensioner Trustee may defer the securing of the pension no later than the date the Member attains age 75. The deferral of a pension until this age will only be possible as long as Inland Revenue requirements are satisfied.</p>
New Deed	Rule 10	<i>The new deed contains a similar rule on payment of pensions as in the old deed.</i>

<b>Frequency of pension payments</b>		
<b>Old Deed</b>	<b>Rule 9.3</b>	<b>Pensions will normally be paid in monthly instalments. The Managing Trustees and the Pensioner Trustee may decide to pay pensions more or less frequently, in advance or in arrears.</b>
<i>New Deed</i>	<i>Rule 11.1</i>	<i>The Trustees will decide in what manner and at what intervals pensions and annuities are to be paid.</i>
<b>Increases in pensions</b>		
<b>Old Deed</b>	<b>Rule 9.4</b>	<b>A pension may be of a fixed amount, or it may be increased each year up to Inland Revenue limits.</b>
<i>New Deed</i>	<i>Rule 7.4</i>	<i>The Trustees will secure a pension which provides for increases in payment as required by the Pensions Act 1995 and with the prior agreement of the Member may secure a pension which provides for:-</i> <ul style="list-style-type: none"> <li><i>• further increases in payment</i></li> <li><i>• a guarantee as to the minimum period of payment of the Pension</i></li> <li><i>• such other provisions as may be permitted by the Inland Revenue.</i></li> </ul>
<b>Commutation of Pensions</b>		
<b>Old Deed</b>	<b>Rule 9.5(1) &amp; 9.5(3)</b>	<p><b>The Managing Trustees and the Pensioner Trustee may commute part of a pension for a lump sum provided it is on a basis which has been agreed by the Inland Revenue.</b></p> <p><b>The Managing Trustees and the Pensioner Trustee may also pay the pensioner a lump sum instead of a trivial pension. A pension can be classed as trivial only if the value of all benefits (including lump sums) for the pensioner under the Scheme and other schemes is less than £260 per annum or such higher amount that may be prescribed from time to time by regulations.</b></p>
<i>New Deed</i>	<i>Rule 15.1</i>	<i>If a Member or Deferred Pensioner elect to commute all or part of their Pension for a cash lump sum the Managing Trustees on the advice of the Actuary will determine the amount of the lump sum.</i>
	<i>Rule 15.2</i>	<i>Such election is to be made by giving written notice to the Managing Trustees before payment of the Pension commences.</i>
	<i>Rule 15.3</i>	<i>The lump sum will be due at the same time the first payment of Pension is due.</i>
	<i>Rule 15.4 and 15.4.1</i>	<i>The Managing Trustees at their discretion may pay a lump sum if benefits become Trivial (ie, less than £260 pa).</i>
<b>Old Deed</b>	<b>Rule 9.5(2)</b>	<b>In exceptional circumstances of serious ill-health the Managing Trustees and the Pensioner Trustee, with the prior agreement of the Inland Revenue, may allow a Member to give up his Pension for a lump sum. The Managing Trustees and the Pensioner Trustee must obtain from the Member medical evidence that his life expectancy is short by comparison with the average person of the same sex and age. The Member is to supply any information to the Inland Revenue as required on this subject.</b>
<i>New Deed</i>	<i>Rule 15.4.2</i>	<i>In the new deed the Trustees at their discretion and subject to the confirmation of the Inland Revenue will allow a lump sum to be paid in exceptional circumstances of serious ill-health. This is provided approval of the Scheme is not prejudiced.</i>

Old Deed	Rule 9.5(4)	<b>The Managing Trustees and the Pensioner Trust</b> will deduct any tax payable on the lump sum.
New Deed	Rule 15.5	<i>In the new deed the Trustees only will be responsible for the deduction of tax.</i>

GENERAL PROVISIONS ABOUT BENEFITS UNDER THE SCHEME	CLAUSE/RULE	COMMENTS
<b>Deduction of Tax</b>		
Old Deed	Rule 10	<b>The Managing Trustees and the Pensioner Trustee may deduct tax from any payment made under the Scheme or on any amount which they pay to an Employer.</b>
New Deed	Rules 25.1	<i>Where liability to any tax or duty arises the Trustees only are responsible for the deduction of tax on any benefit or refund.</i>
	Rule 25.2	<i>The Trustees may postpone payment of tax if they are uncertain as to the liability or extent of it until they are satisfied that the liability does not exist or has been adequately provided for.</i>
	Rule 25.3	<i>If payment of tax is made in full where a deduction should have been applied or if the liability arises after payment then the Trustees may (but will not be obliged to) recover the same from the recipient.</i>
<b>Evidence</b>		
Old Deed	Rule 10.2	<b>Members and beneficiaries must supply to the Managing Trustees and the Pensioner Trustee any evidence which they require for the purposes of providing or paying benefits.</b>  <b>If evidence is not supplied the Managing Trustees and the Pensioner Trustee may refuse to provide benefits.</b>  <b>If a person makes a mis-statement which affects any benefit provided, the Managing Trustees and the Pensioner Trustee may adjust the amount of benefit and recover any overpayment.</b>
New Deed	Rule 23.1	<i>Beneficiaries must supply to the Trustees such evidence of age, identity, status and other information as they require.</i>
	Rule 23.2	<i>If information is not supplied or incorrect the Trustees may, acting on the advice of the Actuary, make such adjustments to the benefit payable as they think fit. Adjustments may be made on a retrospective basis and the Managing Trustees may reclaim any benefit which has been overpaid previously.</i>
	Rule 17.1	<b>The new deed also contains a further rule regarding evidence required on death</b> <i>If required, the Trustees will obtain a copy of the death certificate.</i>
	Rule 17.2	<i>The Trustees may obtain a copy of the grant of representation in respect of any sum to be paid to a deceased's personal representative. They will not be obliged to do so.</i>
	Rule 17.3	<i>If a grant has not been taken out the Trustees may at their discretion pay the relevant sums to the deceased's personal representatives, spouse, next of kin or such other body, person or organisation as they consider appropriate. Once payment has been made the Trustees will be validly discharged.</i>

<b>Payment of Benefits</b>		
<b>Old Deed</b>	<b>Rule 10.3</b>	<b>Benefits will be paid by the Managing Trustees and the Pensioner Trustee to a UK bank account of the beneficiary. The beneficiary may request them to make payment by such other means at his own risk, but the Managing Trustees and the Pensioner Trustee may require him to meet any costs of payment.</b>
<i>New Deed</i>	<i>Rule 11.2</i>	<i>The Trustees will only pay benefits by any of the following means as they determine including payment:-</i> <ul style="list-style-type: none"> <li><i>• at the registered office of the Principal Employer, subject to the requirements of the Pensions Act 1995</i></li> <li><i>• by cheque, money order or other negotiable instrument sent to the beneficiary's last known address</i></li> <li><i>• by transfer or credit to a bank account, building society or other account nominated by the beneficiary</i></li> <li><i>• by an insurance company or agent appointed by the Trustees.</i></li> </ul>
	<i>Rule 11.3</i>	<i>Benefits will be sent at the risk of the beneficiary and the Trustees will not be liable if they go astray. The Trustees will not be required to obtain a formal receipt or proof of payment.</i>

<b>Payment to a person other than the Beneficiary</b>		
<b>Old Deed</b>	<b>Rule 10.4(1)</b>	<b>If the Managing Trustees and the Pensioner Trustee consider that a beneficiary is incapable of managing his own affairs they may pay benefits to some other person or persons. Once payment has been made to any other person the Managing Trustees and the Pensioner Trustee will be discharged from any liability in respect of the amount paid.</b>
<i>New Deed</i>	<i>Rule 11.4</i>	<i>The Trustees will consider if a beneficiary is incapable. If so they may pay any benefits due to another person on the beneficiary's behalf.</i>
	<i>Rule 11.5</i>	<i>The Trustees will not be obliged to ensure how or for whose benefit the payment is applied.</i> <i>As in the old deed once payment has been made this will be sufficient to discharge the Trustees from any liability</i>
<b>Old Deed</b>	<b>Rule 10.4(2)</b>	<b>Benefits payable under the Scheme may not be assigned, charged, or with the exception allowed in the Rules, commuted. If a beneficiary tries to assign or charge the benefit, the Managing Trustees and the Pensioner Trustee may pay the benefit to the beneficiary and/or his dependants, so long as no payment is made to the person in whose favour the beneficiary tried to assign or charge the benefit.</b>
<i>New Deed</i>	<i>Rule 24.1</i>	<i>The new deed contains a full rule on assignment of benefits</i> <i>As in the old deed no benefit payable will be assigned or charged, except to the extent allowed by Section 95 of the Pensions Act 1995. Neither can a lien or set-off be exercised in respect of such benefit.</i>
	<i>Rule 24.2</i>	<i>If a beneficiary affects a transaction in respect of benefits which is not permitted this will not be binding upon the Trustees and the relevant part of the benefits will cease to be payable to that beneficiary.</i>
	<i>Rule 24.3</i>	<i>If a beneficiary charges, assigns etc his benefits the Trustees may at their discretion apply the relevant part of the benefit for the support and maintenance of the beneficiary's dependants.</i>

	Rule 24.4	<i>If any part of the benefit is not applied it is to be used for the general purposes of the Scheme.</i>
Old Deed	10.4(3)	<p>If any benefit, or part of it, remains unclaimed after six years of it becoming payable, the Managing Trustees and the Pensioner Trustee may:</p> <ul style="list-style-type: none"> <li>• use it to offset future contributions from the Employer who paid the cost</li> <li>• pay it to the Member's Employer, after the deduction of any tax due and after receiving the written agreement of the Inland Revenue</li> <li>• if the Principal Employer directs, add the balance to the fund of another Member.</li> </ul>
New Deed	Rule 27.1	<p>No beneficiary will be entitled to any benefit more than six years after it has fallen due for payment as a result of:</p> <ul style="list-style-type: none"> <li>• his failure to claim it</li> <li>• the Trustees' lack of knowledge of his existence or whereabouts.</li> </ul>
	Rule 27.2	<i>If there is any benefit remaining in the Scheme this is to be used for the general purposes of the Scheme.</i>
	Rule 27.3	<i>Despite it being forfeited the Trustees with the consent of the Principal Employer may decide to pay to the beneficiary part or all of the relevant benefits.</i>
Old Deed	Rule 10.4(4)	<b>The deed contains provisions dealing with forfeiting a Member's benefits if he has a monetary obligation to his Employer arising out of a criminal, negligent or fraudulent act.</b>
New Deed	Rule 28	<i>The new deed contains a similar rule on forfeiture. However they also deal expressly with bankruptcy and reflect the provision on forfeiture and bankruptcy contained in the Pensions Act 1995.</i>

ALTERATION OF THE SCHEME	CLAUSE/RULE	COMMENTS
Old Deed	Rule 11(1)	<p><b>Alterations to the Scheme are to be made by the Managing Trustees and the Pensioner Trustee, after obtaining the consent of the Principal Employer and complying with any statutory provision requiring them to give notice of any amendments to the Members.</b></p> <p>The Principal Employer's consent will not be required to alterations made to the Scheme if they are made as a result of the Employer's failure to pay one or more contributions.</p> <p>Alterations are to be made by a resolution or deed. They will be either effective from the date of the deed or from a date (including a retrospective date) specified in the deed.</p> <p>Alterations to the Scheme may not be made if they would worsen Members' benefits.</p>
	Rule 11(2)	<b>The Managing Trustees and the Pensioner Trustee may agree that a company participating in the Scheme or its holding company may become the new Principal Employer of the Scheme. The old Principal Employer's consent to the switch is required unless it has ceased to carry on business.</b>
New Deed	Clause 19	<p><i>The terminology is different in that the new deed uses the phrase "amendment".</i></p> <p><i>Amendments to the Scheme are to be made by the Trustees with the consent of the Principal Employer.</i></p> <p><i>Amendments are to be made by deed and will be effective from the date of the deed or other date specified in the deed (including a retrospective, immediate or prospective date).</i></p>



		<i>No amendments will be made if they would prejudice approval of the Scheme or do not comply with the requirements of Section 67 of the Pensions Act 1995.</i>
	Clause 12	<p><i>The new deed contains a separate clause regarding replacement of the Principal Employer</i></p> <p><i>If certain events arise where the current Principal Employer is re-structured the Trustees may permit the Scheme to continue.</i></p> <p><i>The Scheme will be continued by the re-constructed or amalgamated company or by another company carrying on the business in succession to the Principal Employer.</i></p> <p><i>The new Principal Employer is to enter into a deed with the Trustees to agree to comply with the provisions of the Scheme</i></p>

WINDING-UP THE SCHEME	CLAUSE/RULE	COMMENTS
Old Deed	Rule 12(1)-(5)	<p><b>If the Principal Employer wishes to terminate the Scheme it is to give one month's notice in writing to the Managing Trustees and the Pensioner Trustee. Termination will only be by the agreement of the Pensioner Trustee.</b></p> <p><b>The Managing Trustees and the Pensioner Trustee may terminate the Scheme if the Principal Employer is dissolved and has not been taken over by another company or the Managing Trustees and the Pensioner Trustee decide it is desirable to do so. As soon as possible, the Managing Trustees and the Pensioner Trustee are to advise all members and beneficiaries that winding-up is to take place.</b></p>
New Deed	Clauses 21, 22 & 25	<p><i>The new deed contains fuller provisions regarding wind-up. The Scheme can be partially or totally wound up or it may continue as a closed arrangement.</i></p> <p><i>The Scheme will be partially wound-up if any of the following events has occurred in relation to the Employer and may be wound-up in full if any of the following events occur in relation to the Principal Employer:</i></p> <ul style="list-style-type: none"> <li><i>• it ceases to carry on business</i></li> <li><i>• it goes into voluntary or compulsory liquidation</i></li> <li><i>• it has an administrator or administrative receiver appointed over any of its property, assets or undertaking</i></li> <li><i>• it sells or transfers its property, assets and undertaking or a significant part of them</i></li> <li><i>• gives notice severing its obligations to pay future contributions</i></li> <li><i>• fails to pay any sum due to the Trustees within one month after receiving from them a formal written demand.</i></li> </ul> <p><i>For a full wind-up to occur only the Trustees must decide to wind-up the Scheme following one of the above events. Any decision is to be recorded in writing. The wind-up will take effect from the date specified in the resolution which may be prior to the passing of the resolution but after the events listed above or at any time in the future.</i></p> <p><i>If no decision is made the Scheme will continue as a closed arrangement, as if the Trustees had elected to do so and if required, subject to the consent of the Pension Schemes Office.</i></p>
Old Deed	Rule 12(6)	<b>The Managing Trustees and the Pensioner Trustee will use the part of the fund relating to the Member to secure benefits.</b>

	Rule 12(7)	<b>Each Member will be entitled to either Short Service Benefits, a transfer payment or the purchase of a policy in his name from a UK office of an Insurance Company.</b>
	Rules 12(10)	<b>If the Managing Trustees have already purchased a policy in their own names they may assign the policy to the Member or beneficiary.</b>
New Deed	Clause 23.1	<i>At the date of wind-up of the Scheme the Trustees will obtain an actuarial valuation. No further benefits under the Scheme will accrue once wind-up has commenced.</i>
	Clause 21.2	<p><i>On a partial wind-up of the Scheme, the Trustees on advice of the Actuary, must apply at such time as they determine, the part of the Fund relating to the Member to secure benefits for the Member employed by the Employer at the date the relevant event occurs unless the Member becomes an employee of another Employer.</i></p> <p><i>At the discretion of the Trustees and subject to the agreement of the Inland Revenue benefits will either be preserved in the Scheme, set apart as the Trustees decide or used to effect a transfer out of the Scheme.</i></p> <p><i>On a full wind-up of the Scheme the Pensioner Trustee, following the advice of the Actuary, will use the net proceeds of realisation to secure benefits in the following order of priority:</i></p> <ul style="list-style-type: none"> <li><i>• benefits for Pensioners</i></li> <li><i>• benefits for Postponed Pensioners</i></li> <li><i>• benefits accrued by or in respect of Members and Deferred Pensioners to the extent they are not included above.</i></li> </ul> <p><i>This is subject to the prior payment of all costs, charges and expenses which cannot be recovered from the Employers.</i></p>
	Clause 24	<p><i>Once the Scheme has been wound-up benefits will be secured by the purchase of an appropriate non-commutable, non-assignable annuity. This may be purchased in the Trustees' names or in the name of the beneficiary.</i></p> <p><i>A beneficiary may also request to effect a transfer out of the Scheme. For the avoidance of doubt the transfer may include all or any part of an unallocated surplus within the Scheme.</i></p> <p><i>The Trustees may at their discretion secure benefits by different means.</i></p>
Old Deed	Rule 12(8)	<b>If any money remains after the securing all of the benefits the Managing Trustees and the Pensioner Trustee may use this to increase benefits for other Members.</b>
New Deed	Clause 23.3	<i>If any money remains after securing all of the benefits the Managing Trustee may use it to augment benefits of any beneficiary up to Inland Revenue limits.</i>
Old Deed	Rule 12(11)	<b>The Managing Trustees and the Pensioner Trustee may commute trivial benefits for an immediate cash sum, whether or not they have become payable.</b>
New Deed	Clause 24.2	<i>In exceptional circumstances of serious ill-health or where the benefits (including those paid on death) are trivial a lump sum may be paid instead to a Member or former Member. In respect of a controlling director, payment of a lump sum must be preceded by 14 days' notice by the Trustees to the Inland Revenue.</i>

Old Deed	Rule 12(12)	there is still money remaining the Managing Trustees and the Pensioner Trustee, subject to receiving the written agreement of the Inland Revenue, may deduct any tax and pay the balance to the Employers in such proportions as they consider.
New Deed	Clause 23.4	Subject to the agreement of the Inland Revenue and the deduction of any tax liability, any further money remaining is to be returned to the Principal Employer or, if it no longer exists, the Employers. If it is to be returned to the Employers the Trustees will determine how this is to be divided between them.

ASSOCIATED COMPANIES	CLAUSE/RULE	COMMENTS
Old Deed	Rule 13.1	A company managed or associated with the Principal Employer may participate in the Scheme with the consent of the Principal Employer, the Managing Trustees, the Pensioner Trustee and the Inland Revenue.
	Rule 13.2	If a Member is employed by two or more Employers in succession, his service will be treated as continuous.
	Rule 13.3(1)	If the company wishes to cease participating in the Scheme it is to give written notice to the Managing Trustees and the Principal Employer. In any event, its participation in the Scheme will cease if continuing in the Scheme would prejudice approval by the Inland Revenue.
	Rule 13.3(2)	If a company ceases to participate in the Scheme, the part of the Scheme which relates to contributions paid by that Employer will be wound-up.
New Deed	Clause 11.1	A company, firm or person associated with the Principal Employer may participate in the Scheme with the consent of the Principal Employer and the Member Trustees. However, the Member Trustees must first obtain the written advice of the Pensioner Trustee as to whether the proposed participation would prejudice approval.  The rule regarding continuous service with the employer contained in the old deed is at Clause 20.3 in the new deed. Service will only be treated as continuous if the Inland Revenue consent.
	Clause 11.2	A company's participation in the Scheme will cease if its continued participation would prejudice approval.
	Clause 11.3	The new company's participation in the Scheme is to be effected by a deed of adherence which it will enter into with the Principal Employer and the Trustees. In the deed the company is to agree to observe and perform the provisions of documents which regulate the Scheme. The company's participation will take effect from the date of the deed or from a specified date.
	Clause 11.4	The company is to supply to the Trustees and their advisers such information required pursuant to the Pensions Act 1995. In addition, the Trustees may also require further information for the administration of the Scheme. They may also request to have access to relevant records and may take copies free of charge.

TRUSTEESHIP	CLAUSE/RULE	COMMENTS
Appointment and Removal		
Old Deed	Rule 14.1	<p>The Principal Employer has the power, by deed, to remove and appoint new or additional trustees. At all times a person or body corporate is to be the Pensioneer Trustee.</p> <p>There is no limitation as to the number of trustees in the Scheme.</p> <p>The Managing Trustees and the Pensioneer Trustee may resign after giving one month's notice to the Principal Employer and the remaining trustees.</p> <p>If the Principal Employer goes into liquidation (other than for the purposes of amalgamation or reconstruction) or a receiver has been appointed over all or part of its assets or property all powers vested in the Principal Employer will be vested in the Managing Trustees and the Pensioneer Trustee.</p>
New Deed	Clause 4	<p><i>The Principal Employer also has the power to appoint new or additional trustees but the consent of the Pensioneer Trustee is required. This power is to be exercised by deed, executed by the Principal Employer and the Trustees.</i></p> <p><i>The power to remove a trustee is the same procedurally as the appointment power but the Member Trustee being removed does not need to be a party to the deed. The Principal Employer does not have a duty to appoint a replacement trustee unless there are fewer than two trustees or there is no Pensioneer Trustee.</i></p> <p><i>There are to be not less than two trustees unless the provisions of the Trustee Act 1925 require the appointment of an additional Trustee for the purpose of holding assets or if the Pensioneer Trustee is willing to operate alone the provisions of the Scheme that apply to Member Trustees. A body corporate can act as trustee. If it does, its powers, duties authorities and discretion are to be exercised by its board of directors or by one or more of its duly authorised officers.</i></p> <p><i>The new deed also contains separate clauses regarding retirement/resignation of the Pensioneer Trustee and Member Trustees.</i></p> <p><i>The Pensioneer Trustee may resign after giving notice in writing to the Member Trustees and the Principal Employer. A copy of such notice is to be given to the Inland Revenue. Resignation will take effect from the date specified in the notice.</i></p> <p><i>A Pensioneer Trustee cannot however resign under Section 39(1) of the Trustee Act 1925.</i></p> <p><i>The Member Trustees are to be informed within five working days that the Pensioneer Trustee has ceased to act and they are to notify the Inland Revenue in writing within 30 days. The Member Trustees have 60 days to appoint a replacement Pensioneer Trustee and must notify the Inland Revenue within 30 days of the Pensioneer Trustee's appointment.</i></p> <p><i>The retirement of a Member Trustee is effected by giving notice to the Principal Employer and the other trustees. The Member Trustee will then be discharged even if this would result in the number of trustees falling below the minimum stated.</i></p> <p><i>A departing Member Trustee or Pensioneer Trustee will execute such documents and take such action as is</i></p>

		<p>required by the Principal Employer and the other trustees. Should they fail to do so, the remaining trustees may execute such documents on their behalf as their attorney.</p> <p>The provision in the old deed regarding the Principal Employer going into liquidation is a separate clause in the new deed. The new clause is the same except that all powers of the Principal Employer will vest only in the Member Trustees.</p>
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Power to act/Meetings		
Old Deed	Rules 14.2 and 14.3	<p>Meetings are to be attended by the Managing Trustees and the Pensioner Trustee. The first meeting of the Scheme is to be held within 15 months of its commencement and subsequent meetings shall be held once a year thereafter.</p> <p>Decisions at meetings are to be by a majority of the trustees. Two individuals at a meeting shall form a quorum. If there is an equality of votes the chairman of the meeting shall have a second and casting vote. Binding receipts and discharges can be given by two individual trustees or a corporate trustee.</p> <p>A sole surviving individual trustee will have no power to act except as regards winding-up the Scheme or if the Scheme powers are vested in him due to the Principal Employer's insolvency. As regards winding-up the Scheme, any decision cannot be made without the agreement of the Pensioner Trustee.</p> <p>The Managing Trustees and the Pensioner Trustee may delegate their powers, duties and discretion to any person.</p>
New Deed	Clauses 5, 6 and 7	<p><b>The new deed contains a more detailed clause regarding meetings and decision making</b></p> <p><i>This clause does not specify when after the establishment of the Scheme the first meeting is to be held and at what intervals they are to be held.</i></p> <p><i>The Trustees are to be given reasonable notice of any forthcoming meetings. Regard is to be given as to the urgency of the meeting. Unless the Trustees agree or the Pensions Act 1995 specifies otherwise, the notice should give the date, time and place of the meeting and any matters to be discussed. Meetings should be held at a time and place convenient to the Trustees. The notice should be sent to the last known address of the Trustees no later than ten days before the meeting.</i></p> <p><i>Minutes of the meeting are to be recorded and circulated to the Trustees. These are to comply with any provisions in the Pensions Act 1995.</i></p> <p><i>The Member Trustees may appoint a Secretary to deal with organising the meeting and minutes. The Member Trustees however can still be responsible for convening a meeting if they wish.</i></p> <p><i>The Member Trustees may appoint, from among their number, a chairman who may also be the secretary. If they cannot decide on a chairman he will be chosen by lot. If the chairman is unable to attend a meeting, the Member Trustees may appoint someone else in his place at that meeting only</i></p> <p><i>The chairman and secretary will hold office until they resign or are removed.</i></p> <p><i>All decisions at a meeting are to be unanimous between the Member Trustees. A quorum for a meeting is to be all</i></p>

		<p><i>the Member Trustees.</i></p> <p><i>Any decisions connected with the termination or winding-up of the Scheme must be unanimous between the Member Trustees and the Pensioneer Trustee.</i></p> <p><i>The Member Trustees may delegate their duties, powers and discretion. This is to be done in writing and by unanimous decision. The Member Trustees may also authorise sub-delegation.</i></p>
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<b>Expenses and charges</b>		
<b>Old Deed</b>	<b>Rule 14.4(1)</b>	<b>The Employers will reimburse the Pensioneer Trustee and the Managing Trustees for expenses incurred whilst acting as trustees.</b>
		<b>The Employers will pay the cost of such reimbursement apportioned between them by the Principal Employer.</b>
<i>New Deed</i>	<i>Clause 13</i>	<p><i>The costs and expenses of establishing the Scheme are to be paid by the Principal Employer.</i></p> <p><i>As regards costs and expenses of managing and administering the Scheme, these are to be paid from the Fund unless the Principal Employer determines these costs are to be met by the Employers. If costs and expenses are to be met by the Employers they are to be apportioned between them as agreed between the Principal Employer and the Member Trustees.</i></p>
		<i>If the Employers fail to pay the costs and expenses the Member Trustees and the Pensioneer Trustee may recover the costs from the fund.</i>
<b>Old Deed</b>	<b>Rule 14.4(2)</b>	<b>The Employers will indemnify any trustee against liabilities incurred during his trusteeship. A trustee will not be indemnified against any deliberate wrongdoing or fraud.</b>
<i>New Deed</i>	<i>Clauses 8 and 9</i>	<p><b><i>The new deed contains separate provisions regarding exclusion of liability clauses and when a trustee will be indemnified</i></b></p> <p><i>The Trustees will not incur liability for failure to exercise any power or discretion, or perform a duty or as a result of any acts or omissions of a co-trustee, delegate or adviser unless the liability arises as a result of the trustee knowingly and intentionally committing fraud or deliberately disregarding the beneficiary's interests.</i></p> <p><i>The Employers (on a joint and several basis) will indemnify the Trustees against any costs, claims, demands, expenses or proceedings and liabilities arising from their trusteeship.</i></p> <p><i>If the Trustees are not indemnified by the Employers, subject to the requirements of the Pensions Act 1995, they will be indemnified from the Fund.</i></p> <p><i>The Managing Trustees and the Pensioneer Trustee will not incur liability for advice given by the advisers to the Scheme which they have relied upon.</i></p> <p><i>The Trustees will not be accountable for any payment made to a minor direct, or to his parents or guardian with whom he is living, a person whom they believe to be a Spouse or any institution or individual representing a beneficiary. They will also not be obliged to bring, pursue or defend any legal action except if they wish to do so or if required by the Pension Schemes Office.</i></p> <p><i>The Trustees will not be indemnified for any breach of trust arising out of fraud or deliberate disregard of the</i></p>

Old Deed	Rule 14.4(3)	<p>beneficiary's interests committed by them knowingly and intentionally.</p> <p>The above will also apply to all officers and employees of a corporate trustee and trustees who no longer hold office</p>
		<p><b>The Managing Trustees and the Pensioner Trustee may insure the Scheme against any loss caused by them or any of their employees, officers, agents or delegates. They can also effect insurance for any personal liability. The Managing Trustees and the Pensioner Trustee will charge the premiums to the Scheme.</b></p>
New Deed	Clauses 7.7 - 7.10	<p><i>The Trustees will have power to insure the Scheme against any risk and for such amounts as they determine. They may also effect insurance against any personal liability relating to their office. This is subject to the requirements of the Pensions Act 1995.</i></p> <p><i>Any proceeds of insurance will be held on trust by the Trustees. The cost of effecting this insurance is to be paid in the same way as the cost of managing and administering the Scheme.</i></p>
Old Deed	Rule 14.4(4)	<p><b>Any company carrying out trust business may be appointed on terms and remunerated as agreed between it and the Principal Employer. If a trustee or any firm or company to which they belong carries on a profession or business they may charge for services rendered on a basis agreed with the Principal Employer. The Pensioner Trustee shall also be entitled to charge and be paid a fee at a rate agreed between the Pensioner Trustee and the Principal Employer.</b></p>
New Deed	Clause 10	<p><i>If the Trustees or any firm/company to which they belong are engaged in any profession or business in connection with the Scheme they will be entitled to be paid all proper expenses, charges and commissions.</i></p> <p><i>The Principal Employer may agree to pay any trustee not engaged in a profession or business expenses and remuneration.</i></p> <p><i>If the Pensioner Trustee or any professional adviser with which it is connected is consulted by the Member in respect of investment advice, the party giving such advice may charge a reasonable fee for such advice and may retain any reasonable commission as a result of any investment made by the Member Trustees</i></p>

<b>Administrator</b>		
Old Deed	Rule 14.5	<p><b>The Principal Employer with the consent of the Managing Trustees and the Pensioner Trustee may appoint an administrator to carry out the duties imposed by Chapter I Part XIV of the Income and Corporation Taxes Act 1988. If no appointment is made, the Managing Trustees and the Pensioner Trustee will be the administrator.</b></p>
New Deed	Clauses 2.2 and 6.2	<p><i>The Principal Employer appoints the Member Trustees only to be the Administrator of the Scheme. The Trustees can appoint an individual or corporate body in their place to act as administrator. "Administrator" in the new deed is a defined term.</i></p>

INVESTMENT POWERS	CLAUSE/RULE	COMMENTS
Old Deed	Rule 14.6(1)	<p>The Managing Trustees and the Pensioner Trustee may, in any part of the world alone or together with others:</p> <ul style="list-style-type: none"> <li>• acquire or dispose of any property (tangible, intangible, movable or immovable) whether it is income producing or not</li> <li>• enter into a contract or incur any obligation</li> <li>• lend or borrow money or other property (including acquiring assets)</li> <li>• grant any mortgage or charge over or give any right or recourse against any or all of the assets of the Scheme</li> <li>• form and finance any company</li> <li>• carry on and finance any business</li> <li>• insure assets of the Scheme for any amount against any risk</li> <li>• keep assets in nominee names.</li> </ul> <p>No part of the assets of the Scheme may be loaned to a Member or beneficiary under the Scheme.</p>
New Deed	Clause 15	<p><i>The Member Trustees can acquire and dispose of investments. They are to notify the Pensioner Trustee of any proposed acquisition or disposal of "Approved Investments".</i></p> <p><i>As in the old deed investments may be made outside or within the UK whether they produce income or not, involve liability or are authorised by law for the investment of trust monies. Investments can also be made in their own right or jointly with others.</i></p> <p><i>The Member Trustees may exercise their powers of investment in any way they choose. If any loss arises out of non-approval or approval or withdrawal of approval the Pensioner Trustee will not be liable. They may dispose and acquire investments as in the old deed but the new deed contains more options regarding investment. The Member Trustees may also make investments in the Employer.</i></p> <p><i>If required under the Pensions Act 1995 the Member Trustees are to maintain and prepare a statement of investment principles.</i></p>
Old Deed	Rule 14.6(2)	<b>The Managing Trustees and the Pensioner Trustee will hold money in a bank account. Money may not be withdrawn without the authority of the Pensioner Trustee.</b>
New Deed	Clause 7.10	<i>The Member Trustees will open an account with a bank or building society, finance company or other institution. They may manage the account as they see fit. The Pensioner Trustee is to be a signatory to any such account.</i>
Old Deed	Rule 14.6(4)	<b>The Managing Trustees and the Pensioner Trustee shall make decisions regarding the making or variation of investments. The decision will be valid if a majority agree.</b>
New Deed	Clause 15.3	<i>Before any investment is made, each category of Member in the Scheme is to agree in writing to the making of the investment unless the Member Trustees have delegated all or any of their powers of investment to another party.</i>
Old Deed	Rule 14.6(6)	<b>The Managing Trustees and the Pensioner Trustee may not invest any of the resources of the Scheme in an employer-related investment unless each Member has agreed in writing to the investment.</b>
New Deed	Clause 15.3	<i>The new deed is the same as the old deed but the new deed defines "Employer-Related Investment".</i>



DISCLOSURE OF INFORMATION	CLAUSE/RULE	COMMENTS
Old Deed	Rule 14.7(1)	<p>The Managing Trustees and the Pensioner Trustee will:</p> <ul style="list-style-type: none"> <li>• prepare annual accounts of the Scheme and have them audited</li> <li>• prepare annual reports and make them available</li> <li>• keep Members and beneficiaries up-to-date regarding the Scheme and notify them of any changes made</li> <li>• provide existing and prospective Members and beneficiaries information regarding their benefits, rights and options</li> <li>• make available for inspection the Rules of the Scheme and any amendments to them, together with a list of companies participating in the Scheme.</li> </ul> <p>After the commencement of the Scheme the Managing Trustees and the Pensioner Trustee are to obtain a valuation of the Scheme's liabilities and assets. Valuations are to be obtained at intervals of not more than three years thereafter.</p>
New Deed	Clause 6	<p><b>The new deed contains separate provisions regarding trustees' duties and actuarial valuations.</b></p> <p><i>In the new deed the Trustees carry out the duties listed in the old deed. If the Member Trustees are the administrator of the Scheme they are to act as administrator in accordance with the Income and Corporation Taxes Act 1988. The Trustees are also to pay out of the Fund relevant benefits.</i></p> <p><i>With regard to the preparation of annual accounts, if required by the Pensions Act or the Member Trustees decide they may submit these (together with a supporting balance sheet) to the Auditor following the Scheme year end.</i></p> <p><i>The annual report, together with the auditor's report are to be open to inspection by the beneficiaries and any officer of the Principal Employer.</i></p>
	Clause 18	<p><i>As regards actuarial valuations this is the same as in the old deed except that the Member Trustees are to ensure the Actuary conducts a valuation and provides a report to the Principal Employer.</i></p> <p><i>The Member Trustees, the Pensioner Trustee and the Employers are to supply to the Actuary such accounts, documents and information necessary to produce a valuation.</i></p>

SMALL SELF-ADMINISTERED SCHEMES	CLAUSE/RULE	COMMENTS
Old	Part 3	<p>The old deed sets out in Part 3 the provisions relating to the Inland Revenue's SSAS Regulations - the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 which restrict the power of trustees of a SSAS to borrow money and to make and dispose of certain investments.</p>
	Clauses 16 and 17	<p><i>The provisions relating to the SSAS Regulations are contained in these clauses.</i></p>

ADDITIONAL CLAUSES IN THE NEW DEED	CLAUSE/RULE	COMMENTS
<i>New Deed</i>		<i>The new deed contains further clauses/rules as follows</i>
	Clause 3	<i>The Member Trustees will be responsible for appointing and removing advisers to carry out any functions prescribed for them by the Pensions Act 1995.</i>
	Clause 20	<i>If any Employer is involved in an amalgamation or reconstruction it may be replaced by a company, firm or person carrying on all or part of its business, provided the consent of the Member Trustees is sought.</i>
	Clause 26	<i>This clause deals with vesting of the Principal Employer's powers in the hands of the Member Trustees in the event of the Principal Employer going into voluntary or compulsory liquidation.</i>
	Clause 27	<i>This clause deals with the delivering and sending of notices.</i>
	Clause 28	<i>Any questions or matters of doubt in respect of the Scheme or its documentation not set out in the Scheme documentation will be determined by the Member Trustees. Any questions concerning the termination or winding-up of the Scheme will be determined by the Pensioner Trustees and the Member Trustees.</i>