

STEPHEN WARD PHOTOGRAPHY DIRECTORS' PENSION SCHEME

DEED OF AMENDMENT TO RULES

1. DATE: 21st January 1992

2. PARTIES:

The "Principal Company": Stephen Ward Photography Limited whose registered office is situate at Ryecroft, 25 Manor Park Road, Glossop, Derbyshire

3. RECITALS:

3.1 This Deed is supplemental to an interim Trust Deed made the 30th of March 1987 between (1) The Principal Company and (2) Stephen Ward and Sandra Ward and Pensioneer Trustees Limited and to a Trust Deed made the 24th July 1989 between the same parties whereby was constituted the Stephen Ward Photograph Directors Pension Scheme (the "Scheme") and to a Deed of the 30th day of May 1991 whereby the Principal Company exercised its powers to remove Pensioneer Trustees Limited from office as trustee of the Scheme replacing them in office with Personal Pension Trustees Limited and to a Deed of Amendment to Rules made the 3rd of June 1991 whereby the Principal Company with the consent of the then existing Trustees of the Scheme altered and modified the Rules of the Scheme found in the schedule to the said Trust Deed which altered and modified rules are herein referred to as

the "Rules".

- 3.2 The Principal Company intends hereby further to alter and modify the Rules in order to take account of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self Administered Schemes) Regulations 1991 the prior consent of the present Trustees of the Scheme being endorsed hereon.

4. OPERATIVE PROVISIONS

The Principal Company pursuant to Rule 52 of the Rules hereby alters and modifies the Rules in the following manner:

- 4.1 The following Rule is hereby deleted namely Rule 1(2)
- 4.2 There shall be added the Further Rules set out in the Schedule hereto (the "Further Rules") which Further Rules shall be construed in addition to the Rules and if in conflict therewith in substitution for the Rules
- 4.3 Definitions appearing in the Rules shall apply to the Further Rules unless replaced thereby

IN WITNESS whereof the Principal Company has hereunto affixed its common seal as a Deed the day and year first before written.

THE SCHEDULE

THE FURTHER RULES

1AA DEFINITIONS AND INTERPRETATION

(1) In these Further Rules unless the context otherwise requires:

ACTUARY means:-

- (a) a Fellow of the Institute of Actuaries
- (b) a Fellow of the Faculty of Actuaries, or
- (c) a person with other actuarial qualifications who has been approved as a proper person to act for the purposes of regulation 8 of the Occupational Pension Schemes (Disclosure of Information) Regulations 1986 in connection with the scheme;

"ADMINISTRATOR" in relation to a scheme means the trustees of the scheme or any person appointed by them to have the management of the scheme;

"THE BOARD" means the Commissioners of the Inland Revenue;

"BUSINESS" includes a trade or profession and includes any activity carried on by a body of persons, whether corporate or unincorporate, except the activity of making or managing investments where those investments do not consist of shares in 51 per cent. subsidiaries of the body of persons which do not themselves carry on the activity of making or managing investments;

"CLOSE COMPANY" has the meaning given by sections 414 and 415 of the Act;

"COMPANY" means any body corporate or unincorporated association, but does not include a partnership;

"CONTROL" in relation to a body corporate or partnership, shall, subject to subrule (2), be construed in accordance with section 840 of the Act; and the like construction of "control" applies (with the necessary modifications) in relation to an unincorporated association as it applies

in relation to a body corporate;

"CONTROLLING DIRECTOR" means for the purposes of these Further Rules only a director to whom subsection (5)(b) of section 417 of the Act (read with subsections (3), (4) and (6) of that section) applies;

"DIRECTOR" means a director within the meaning of section 612(1) of the Act;

"GOVERNING INSTRUMENT" in relation to a scheme means a trust deed, or other document by which the scheme is established, and any other document which contains provisions by which the administration of the scheme is governed;

"PENSIONER TRUSTEE" means a trustee of a scheme who

(a) is approved by the Board to act as such, and

(b) is not connected with

(i) a scheme member,

(ii) any other trustee of the scheme, or

(iii) a person who is an employer in relation to the scheme

"RELATIVE" means for the purposes of these Further Rules only brother, sister, ancestor or lineal descendant;

"RESIDENTIAL PROPERTY" means property normally used, or adapted for use, as one or more dwellings;

"SCHEME MEMBER" in relation to a scheme means a member of the scheme to whom benefit is currently accruing as a result of service as an employee;

"SHARES" includes stock;

"THE TRUSTEES" in relation to a scheme includes for the purposes of these Further Rules only any person having the management of the scheme;

"UNLISTED COMPANY" means a company which is not officially listed on a recognised stock exchange within the meaning of section 841 of the Act;

"51 PER CENT SUBSIDIARY" has the meaning given by section 838 of the Act.

(2) The interpretation of "CONTROL" in subrule (1) does not apply in relation to a body corporate which is a close company and in relation to such a body corporate "control" shall be construed in accordance with section 416 of the Act

(3) Any question whether a person is connected with another shall be determined in accordance with paragraphs (4) and (8) of this Rule 1AA (any provision that one person is connected with another being taken to mean that they are connected with one another)

(4) A person is connected with an individual if that person is the individual's husband or wife, or is a relative, or the husband or wife of a relative, of the individual or of the individual's husband or wife.

(5) Without prejudice to paragraph (4) a person, in his capacity as a scheme member, is connected with an employer in relation to a scheme if

- (a) where the employer is a partnership, he is connected with a partner in the partnership, or
- (b) where the employer is a company, he or a person connected with him is, or at any time during the preceding 10 years has been, a controlling director of the company

(6) A company is connected with another company

- (a) if the same person has control of both, or a person has control of one and persons connected with him, or he and persons connected with him, have control of the other, or

(b) if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person with whom he is connected.

(7) A company is connected with another person if that person has control of it or if that person and persons connected with him together have control of it

(8) 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

(9) 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.

61. BORROWING

(1) At the time of any borrowing the trustees of the scheme in their capacity as such shall not have borrowed an aggregate amount, including the amount of that borrowing but excluding any amount which has been repaid before that time, in excess of the total of:

- (a) three times the ordinary annual contribution paid by employers;
- (b) three times the annual amount of contributions paid by scheme members as a condition of membership in the year of assessment ending

immediately before that time;

(c) 45 per cent. of the market value of the investments held for the purposes of the scheme

(2) For the purposes of this rule only "ordinary annual contribution" means the amount which is the smaller of:

- (a) the amount found by dividing the amount of the contributions paid by employers in the period of three years which ended at the end of the previous accounting period of the scheme by the number of those years or, if the scheme has been established for less than three years at the time of any borrowing, by the number of the years since the scheme was established (a period of less than one year since that time being counted as one year) and
- (b) the amount of the annual contributions which, within the period of three years immediately before the date of any borrowing, an actuary has advised in writing would have to be paid in order to secure the benefits provided under the scheme.

62. INVESTMENTS

(1) The trustees of the scheme in their capacity as such shall not (save in the circumstances set out in subrule (4) below) directly or indirectly hold as an investment:

- (a) personal chattels other than choses in action (or, in Scotland, movable property other than incorporeal movable property);
- (b) residential property other than that specified in subrule (2);
- (c) shares in an unlisted company which
 - (i) carry more than 30 per cent. of the voting power in the company,
 - or

(ii) entitle the holder of them to more than 30 per cent of any dividends declared by the company.

(2) The residential property specified in this subrule is

- (a) property which is, or is to be, occupied by an employee who is not connected with his employer and who is required as a condition of his employment to occupy the property; and
- (b) property which is, or is to be, occupied by a person who is neither a scheme member nor connected with a scheme member in connection with the occupation by that person of business premises held by the trustees of the scheme in their capacity as such.

(3) For the purposes of subrule (1), trustees shall not be regarded as indirectly holding as an investment residential property other than that specified in subrule (2) where they hold as an investment units in a unit trust scheme

- (a) which is an authorised unit trust within the meaning of section 468(6) of the Act, or
- (b) where all the unit holders would be wholly exempt from capital gains tax or corporation tax (otherwise than by reason of residence) if they disposed of their units.

and the trustees of the scheme hold such property as an investment subject to the trusts of the scheme.

(4) The trustees may retain an investment of a description made in subrules (a) (b) or (c) of subrule (1) above which is held by them immediately before the 15th of July 1991.

63. THE LENDING AND ACQUISITION OF SHARES

(1) The trustees of the scheme in their capacity as such shall not directly or indirectly lend money:

- (a) to a member of the scheme or a person connected with him, other than an employer in relation to the scheme or any company associated with that employer, or
- (b) to an employer in relation to the scheme, or any company associated with that employer, unless the lending is within the exception contained in subrule (2)

(2) Lending is within the exception contained in this subrule

- (a) only if the amount lent is utilised for the purposes of the borrower's business, and
- (b) if it is
 - (i) for a fixed term,
 - (ii) at a commercial rate of interest, and
 - (iii) evidenced by an agreement in writing which contains the provisions specified in subrule (3) and all the conditions on which it is made

(3) The provisions specified in this subrule are provisions to the effect that the amount lent shall be immediately repayable

- (a) if the borrower
 - (i) is in breach of the conditions of the agreement
 - (ii) ceases to carry on business, or
 - (iii) becomes insolvent; or

(b) if it is required to enable the trustees to pay benefits which have already become due under the scheme

(4) Subject to subrule (5) and (6) for the purposes of this Rule a borrower shall be taken to have become insolvent if

(a) he has been adjudged bankrupt or has made a composition or arrangement with his creditors;

(b) he has died and his estate falls to be administered in accordance with an order under section 421 of the Insolvency Act 1986 or Article 365 of the Insolvency (Northern Ireland) Order 1989

(c) where the borrower is a company, a winding-up order or an administration order has been made with respect to it, or a resolution for voluntary winding-up has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, or any property of the company comprised in or subject to the charge, or a voluntary arrangement is approved under part I of the Insolvency Act 1986 or part II of the Insolvency (Northern Ireland) Order 1989.

(5) Until the coming into operation of Article 365 of the Insolvency (Northern Ireland) Order 1989, subrule (4) above shall have effect in its application to Northern Ireland subject to the following modifications;

(a) in subrule (b) of that subrule for the reference to that Article there shall be substituted a reference to section 30(1) of, and part I of Schedule 1 to, the Administration of Estates Act (Northern Ireland) 1955 and

- (b) in sub-subrule (c) of that subrule the words from "or an administration order" to "to it" (where those words first occur) and the words from "or a voluntary arrangement" onwards shall be omitted.

(6) In the application of this regulation to Scotland, for sub subrules (a), (b) and (c) of subrule (4) above there shall be substituted the following sub subrules

- (a) an award of sequestration has been made on his estate, or he has executed a trust deed for his creditors or has entered into a composition contract;
- (b) he has died and a judicial factor appointed under section 11A of the Judicial Factors (Scotland) Act 1889 is required by the provisions of that section to divide his insolvent estate among his creditors; or
- (c) where the borrower is a company, a winding up order or an administration order has been made, or a resolution for voluntary winding-up is passed with respect to it, or a receiver of its undertaking is duly appointed, or a voluntary arrangement for the purposes of Part I of the Insolvency Act 1986 is approved under that part.

(7) For the purposes of this Rule and of Rule 64 a member of a scheme includes

- (a) a scheme member;
- (b) a person who is in receipt of a pension from the scheme;
- (c) a person who has left the service of the employer but was a scheme member during that service;

(d) a person who is in the service of the employer but is no longer a scheme member.

(8) At the time that any money is lent, or any shares in an employer or any company associated with that employer are acquired, the aggregate of

(a) the total amount outstanding of money lent to an employer and any company associated with him in accordance with sub rules (2) and (3) hereof and

(b) the market value of shares in an employer and any company associated with him held by the trustees in their capacity as such shall not, (save in the circumstances set out in subrule (11) hereof) where that time is during the period of two years from the date on which the scheme was established, exceed the figure specified in subrule (9) or, where that time is after the end of that period, exceed the figure specified in subrule (10)

(9) The figure specified in this subrule is 25 per cent of the market value of the assets of the scheme which are derived from contributions made by an employer and by employees since the scheme was established.

(10) The figure specified in this subrule is 50 per cent of the market value of all the assets of the scheme.

(11) The Trustees may continue to lend money or retain shares in an employer or any company associated with that employer which was being lent or held by them immediately before the 15th of July 1991 where at the time the money was first lent or the shares were acquired the aggregate referred

to in subrule (8) exceeded the figure specified in subrule (9), but did not exceed the figure specified in subrule (10) notwithstanding that the loan was made or the shares were acquired during the period of two years from the date on which the scheme was established.

64. TRANSACTIONS WITH SCHEME MEMBERS AND OTHERS

(1) The trustees of the scheme in their capacity as such shall not directly or indirectly purchase, sell (other than as specified in subrule (4) hereof) or lease any asset

- (a) from or to a member of the scheme or a person connected with him, other than an employer in relation to the scheme or any company associated with that employer, or
- (b) from or to an employer, or any company associated with that employer, except in accordance with subrule (2)

(2) A purchase, sale or lease is in accordance with this subrule only when it is made

- (a) after the trustees have obtained independent professional advice in writing, and
- (b) in accordance with that advice

(3) For the purpose of this Rule

- (a) a purchase by the trustees shall not be regarded as a purchase indirectly from a member of the scheme, or a person connected with him, if the purchase by the trustees took place three years or more after the sale by the member or person connected with him; and
- (b) a sale by the trustees shall not be regarded as a sale indirectly to

a member of the scheme, or a person connected with him, if the purchase by the member or person connected with him took place three years or more after the sale by the trustees.

(4) The Trustees of the scheme may sell assets held by them immediately before the 15th of July 1991 to a member of the scheme or a person connected with him

65. PENSIONER TRUSTEES

- (a) one of the trustees of the scheme shall be a pensioner trustee and
- (b) if a pensioner trustee ceases to be qualified to act as such or ceases to be a trustee, the trustees or the remaining trustee or trustees shall
 - (i) within 30 days after that cessation notify the Board in writing
 - (ii) within 60 days after that cessation appoint a successor to him as a pensioner trustee;
 - (iii) within 30 days after that appointment notify the Board in writing of the name of the successor

66. FURNISHING OF INFORMATION AND DOCUMENTS

(1) The administrator of a scheme shall, within 90 days after any transaction by the trustees in their capacity as such as is specified in subrule (2), furnish to the Board such information and documents as may be specified on the relevant form to be supplied by the Board.

(2) The transactions specified in this subrule are

- (a) the acquisition or disposal of land

- (b) the lending of money to an employer or any company associated with him
- (c) the acquisition or disposal of shares in an employer or any company associated with him
- (d) the acquisition or disposal of shares in an unlisted company
- (e) the borrowing of money
- (f) the purchase, sale or lease from or to an employer, or any company associated with him, of any asset other than one specified in subrules (a), (c) or (d).

END OF FURTHER RULES

The common seal of the Principal Company was hereuntil affixed in the presence of:-

Director



Secretary

S. Ward .

WE STEPHEN WARD and SANDRA WARD both of The Red House, Water Lane, Hollingworth, Cheshire and PERSONAL PENSION TRUSTEES LIMITED whose registered office is situate at Howard House, 10 Albert Embankment, London SE1 7SP as Trustees of the Scheme hereby consent pursuant to Rule 52 of the Rules to the amendments to the Rules set out above this consent having been executed prior to the execution of the above Deed.

DATED THIS 20th DAY OF January 1992


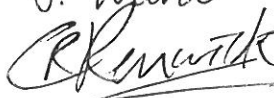
SIGNED by Stephen Ward

in the presence of:-

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SIGNED by Sandra Ward

in the presence of:-

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SIGNED by T.J.M. EVANS

for and on behalf of PERSONAL PENSION)

TRUSTEES LIMITED in the presence of:-)