

DATED

24th July 1992

STEPHEN WARD PHOTOGRAPHY

DIRECTORS' PENSION SCHEME

DEED OF AMENDMENT TO RULES

SMITH FORT AND SYMONDS
SOLICITORS
STOCKPORT
REF: TJD 9/6/1992

STEPHEN WARD PHOTOGRAPHY DIRECTORS' PENSION SCHEME

DEED OF AMENDMENT TO RULES

1. DATE: 24th July 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 Photography 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 further altered the Rules on the 21 January 1992 by a Deed of Amendment ("the January 1992 Amendment")

3.3. The Principal Company intends hereby to cancel the effect of the January 1992 Amendment of and 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 alteration to the Rules effected by Clause 4.1 of the January 1992 Amendment is itself deleted hereby

4.2 The additions to the Rules set out in the Schedule to the January 1992 Amendment incorporated pursuant to the provisions of 4.2 thereof are hereby deleted

4.3 For the avoidance of doubt it is stated that the purpose of the foregoing sub clauses 4.1 and 4.2 is to reverse the changes implemented by the January 1992 Amendment so that the Rules shall apply as if the January 1992 Amendment had not been executed.

4.4. The following Rule is hereby deleted namely Rule 1(2)

4.5. 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

4.6. Definitions appearing in the Rules shall apply to the Further Rules unless replaced thereby

4.7. Notwithstanding anything to the contrary in the Scheme provision the Further Rules 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

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(1) In these rules the following expressions shall have the meanings ascribed to them:

(a) "ACTUARY" means:-

(i) a Fellow of the Institute of Actuaries

(ii) a Fellow of the Faculty of Actuaries, or

(iii) 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

(b) "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

(c) "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

(d) "CLOSE COMPANY" has the meaning given by sections 414 and 415 of the Act.

(e) "COMPANY" means any body corporate or unincorporated association but does not include a partnership

- (f) "CONTROL" in relation to a body corporate (other than a close company) or partnership shall be construed in accordance with section 840 of the 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 Act

- (g) "CONTROLLING DIRECTOR" means for the purposes of Rules 61-68 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

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

- (i) "EMPLOYER" means an employer participating in the Scheme

- (j) "ORDINARY ANNUAL CONTRIBUTION" means for the purposes of Rule 61 the smaller of:

- (i) 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 and

- (ii) the amount of the annual contribution which has been advised by an Actuary in writing within 3 years of the date on which the ordinary annual contribution is to be ascertained, as that necessary to secure the benefits payable under the Scheme
- (k) "PENSIONER TRUSTEE" means a Trustee of the Scheme who:
 - (i) is approved by the Board of Inland Revenue to act as such, and
 - (ii) is not connected with a Scheme Member, another Trustee or an Employer
- (l) "PRIVATE COMPANY" means a company which is not officially listed on a recognised stock exchange within the meaning of section 841 of the Act
- (m) "RELATIVE" means for the purposes of Rules 61-68 only a brother, sister, ancestor or lineal descendant
- (n) "RESIDENTIAL PROPERTY" means property normally used, or adapted for use as one or more dwellings
- (o) "SCHEME MEMBER" means a member of the Scheme to whom benefit is currently accruing by virtue of service as an employee
- (p) "THE TRUSTEES" in relation to a scheme includes for the purposes of Rule 61-68 only any person having the management of the scheme;

1AA(2) For the purpose of Rules 61-68 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

1AA(3) For the purpose of rules 61-68 only 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

1AA(4) For the purpose of rules 61-68 only 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

61. 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) forty-five per cent of the market value of investments held for the purpose of the Scheme.

62. 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, or
- (b) Residential Property other than that:
 - (i) which is, or is to be, occupied 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) which is integral to a commercial property which is not and is not to be occupied by a Scheme Member or a person connected with a Scheme Member; 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

For the purpose of this rule the Trustees are not regarded as 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 469(6) of the 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

63. Provisions as to lending

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

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

- (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.

64. The amount of 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 63 (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 at the time of any lending under Rule 63 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.

65. 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 a 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.

66. 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

67. Provisions as to Pensioner Trustees

One of the Trustees shall be a Pensioner Trustee and should that Trustee cease to be a Trustee or cease to be qualified to act as a Pensioner Trustee the remaining Trustee or Trustees shall within 30 days notify the Board of Inland Revenue in writing and within 60 days appoint a successor who is a Pensioner Trustee. The Trustees shall within 30 days of the appointment of the successor notify the Board of Inland Revenue in writing of the name of the successor

68. 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.

END OF FURTHER RULES

The common seal of the Principal Company was hereunto 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 23rd DAY OF July 1992

SIGNED by Stephen Ward

Shaw)

in the presence of:-

(Rennick))

42 BEECH COURT
PONTELAND
NEWCASTLE UPON TYNE
NE20 9NE.

SIGNED by Sandra Ward

S. Ward.)

in the presence of:-

(Rennick))

ADDRESS AS ABOVE

SIGNED by

[Signature]

for and on behalf of PERSONAL PENSION)

TRUSTEES LIMITED in the presence of:-)

M. McKeown
7 Redoubt Rd
Mitcham
Surrey CR4 3DD.