

SFO Model No. SF39/47/22(1987)



THIS TRUST DEED is made the 24th day of July One thousand nine hundred and eighty-nine

BETWEEN

- (1) STEPHEN WARD PHOTOGRAPHY LIMITED registered office
Ryecroft 25 Manor Park Road Glossop Derbyshire
(hereinafter called "the Principal Company")

- (2) STEPHEN WARD and SANDRA WARD both of The Red House
Water Lane Hollingworth Cheshire and PENSIONEER TRUSTEES
LIMITED registered office 30 Exchange Street East Liverpool L2
3QB (hereinafter called "the Trustees" which expression shall include
the trustees for the time being hereof)

WHEREAS

- (A) This Deed is supplemental to a Trust Deed (hereinafter called "the Interim Deed") dated the thirtieth day of March One thousand nine hundred and eighty seven and made between the Principal Company of the one part and the Trustees of the other part providing for the establishment of a retirement benefits scheme known as the "Stephen Ward Photography Directors Pension Scheme" for the purposes of providing Relevant Benefits for certain employees of the Principal Company and Associated Companies and whereby the Principal Company and the Trustees undertook that they would within twenty-four months from the date of the Interim Deed execute a Definitive Deed and Rules providing for the constitution and administration of the said Scheme and

- (B) The Principal Company and the Trustees are now desirous of executing this the said Definitive Deed

NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED AND DECLARED as follows:

1. THE Principal Company hereby confirms the establishment as from the first day of March 1987 (hereinafter called "the Commencement Date") of the Stephen Ward Photography Directors Pension Scheme (hereinafter called "the Scheme") effected by the Interim Deed and the appointment of the Trustees as trustees and Administrator of the said Scheme
2. THE object of the Scheme is to provide Relevant Benefits for such persons as are stated in the Rules set out in the Schedule hereto (as from time to time amended) to be eligible therefor and in accordance with the Rules
3. THE Principal Company may with the prior consent of the Commissioners of Inland Revenue extend the scope of the Scheme so as to provide such benefits for and in respect of any class of persons whose employer is for the time being a Subsidiary or Associated Company which enters into a deed with the Principal Company and the Trustees supplemental to the Interim Deed and this Deed binding such employer to comply with and be subject to the provisions of such last mentioned Deeds and the Rules in relation to such class of persons who are duly admitted to membership
PROVIDED THAT approval of the Scheme under Chapter I Part XIV of the Income and Corporation Taxes Act 1988 is not affected by any such extension as aforesaid
4. ALL contributions made under the Rules and all property forming part of the Scheme shall be vested in the Trustees who shall stand possessed thereof upon irrevocable trust to hold apply and dispose of the same as provided by the Trust Deed and the Rules

5. THE Rules set out in the Schedule hereto are hereby adopted as the Rules governing the administration of the Scheme as at the date hereof and the same shall for all purposes be deemed to have come into operation as from the Commencement Date
6. ALL words and expressions defined in the Rules shall where the context so admits have the same meaning where used in this Deed
7. (a) THE Trustees may delegate to any one or more of their number or to any agent or to any officer or employee of the Principal Company approved by them the exercise of any discretionary power of the Trustees which, but for this provision, would require the approval of all of them and in particular may delegate to any one or more of their number or such officer agent or employee as aforesaid the power of making and managing investments PROVIDED NEVERTHELESS THAT the Trustees may not delegate any of their powers in connection with approving any alterations to any of the provisions of the Scheme and may not delegate any of their powers relating to the winding up of the Scheme and may not delegate any of their powers relating to the raising of money for any purposes and the exercise of these powers shall require the unanimous approval of all the Trustees for the time being
- (b) THE Trustees shall be indemnified against all liabilities incurred by them in the execution of the trusts hereof and the management and administration of the Scheme and shall have a lien on the assets of the Scheme for such indemnity
- (c) NO Trustee shall be liable for any breach of trust in respect of any act or omission on the part of himself or any of his co-Trustees or of any person to whom powers of the Trustees have been delegated pursuant to sub-Clause (a) hereof or of any agent or servant employed by him or by the Trustees generally (whether or not such appointment was strictly necessary or expedient) unless such act or omission or the delegation or

the employment of such agent or servant was in bad faith and a breach of trust knowingly and wilfully committed and in particular without prejudice to the generality of the foregoing no Trustee shall be liable for any loss arising from the exercise of the power of investment of trust monies pursuant to Clause 8 hereof whether or not such investment was authorised by all the Trustees or was made by one or more persons to whom the powers of investment were delegated pursuant to sub-Clause (a) hereof nor shall any Trustee be liable for losses arising from failure to exercise any of such powers as aforesaid or delay in the exercise thereof

- (d) ANY Trustee for the time being who is engaged in any profession or business shall be entitled directly or indirectly to be paid all usual professional or other charges and to retain all usual commissions for work or business done or transacted by or through him or his firm in connection with the trusts of the Scheme whether in the ordinary course of his profession or business or not and whether or not of a nature requiring the employment of such professional or business person
- (e) ANY of the Trustees or any director or officer of a body corporate being a trustee hereof who is or has been a Member of the Scheme shall be entitled to retain for himself any benefit to which he is or would but for such trusteeship be entitled by virtue of such Membership
- (f) A resolution in writing signed by all the Trustees shall be as effectual as if it had been passed at a meeting of the Trustees and may consist of one or more documents in similar form each signed by one or more of the Trustees
- (g) The Trustees shall have power to enter into any transaction affecting all or any part of the monies or investments held pursuant to the Scheme with the Principal Company or any Subsidiary or Associated Company or with the trustees of any other trust notwithstanding that the Trustees (or any of them) or the directors or officers of any body corporate being a trustee hereof (or any of them) may be or be included amongst the

directors or officers of the Principal Company or Subsidiary or Associated Company or the trustees of such other trust or the directors or officers of any body corporate being a trustee of such other trust (as the case may be).

- (h) No decision of or exercise of a power by the Trustees shall be invalidated or questioned on the ground that the Trustees or any of them or any director or officer of any body corporate being a Trustee hereof had a direct or indirect interest in such decision or in the exercise of such power.

- 8. TRUST monies may be invested in the purchase of or at interest upon the security of such stocks funds shares securities annuities or other investments or property of whatsoever nature and wheresoever situate and whether involving liability or not and whether producing income or not or upon such personal credit with or without security as the Trustees shall in their absolute discretion without being liable to account think fit to the intent that the Trustees shall have the same full and unrestricted powers of investing and transposing investments in all respects as if they were absolutely and beneficially entitled to the assets of the Scheme and without prejudice to the generality hereof trust money may (a) be placed or retained upon deposit or current account at such rate of interest (if any) and upon such terms as the Trustees shall think fit with any bank investment company building society local authority or finance company or any United Kingdom office or branch of an insurance company (b) be invested in any type of unit trust which is empowered to transact business with the trustees of pension schemes designed to satisfy the provisions of Chapter I Part XIV of the Income and Corporation Taxes Act 1988 (c) be invested in underwriting or sub-underwriting new issues of stocks and shares (d) be used to pay the premiums on any insurance policy the proceeds of which will fall to meet any benefit payable pursuant to the Rules or part thereof and (e) be invested in or upon any stocks shares or securities of the Principal Company and Associated Companies and may be lent to or placed on deposit with any of the said Companies

on such normal commercial terms and at such commercial rate of interest as the Trustees may arrange with the said Companies PROVIDED THAT no loan shall be granted to any Member or to any individual having a contingent interest under the Scheme FURTHER PROVIDED THAT any lump sum death benefit (other than a refund of a Member's contributions or a payment under guarantee of a pension in course of payment) and any spouse's annuity contingently payable on death of a Member in Service under the Rules shall be covered by an insurance contract to the extent thought necessary by the Trustees with the advice of the Actuary FURTHER PROVIDED THAT within five years of any pension or annuity first coming into payment under the Rules the same shall be fully covered at its then level and any subsequent increases and any benefits becoming payable to the Member's spouse or Dependents on his subsequent death shall be covered immediately by annuity contracts from the United Kingdom Office of any Insurance Company as provided under the Rules unless otherwise agreed with the Commissioners of Inland Revenue and FURTHER PROVIDED THAT the Trustees shall have power to give any indemnity in connection with the exercise of their powers under this Clause and may bind the Scheme to give effect thereto

9. WITH the consent of the Trustees the Principal Company may at any time alter or modify all or any of the provisions of this Deed
10. (a) SUBJECT to sub-Clause (b) hereof the Principal Company may at any time by deed remove the Trustees or any of them and may at any time appoint one or more persons or a body corporate (whether or not a trust corporation) to be a new or additional Trustee or Trustees
- (b) THE powers conferred on the Principal Company by sub-Clause (a) hereof shall cease upon a resolution being passed or any order being made for the winding up of the Principal Company (otherwise than for the purposes of an amalgamation or a reconstruction previously approved in writing by the Trustees) or upon a receiver being appointed of the whole or any part of the undertaking or assets of the Principal Company

and with effect from the occurrence of any such event the power of appointing new or additional trustees shall be vested in the surviving or continuing Trustees or Trustee for the time being or the personal representatives of the last surviving or continuing Trustee in accordance with Section 36 of the Trustee Act 1925

- (c) ANY of the Trustees may be a corporate body which need not be a trust corporation
 - (d) IN the event of the death resignation or removal of any Trustee the remaining Trustee or Trustees shall not be empowered to take any action relating to the termination or partial determination of the Scheme until
 - (i) the Principal Company has exercised its powers of appointing a new Trustee and the Commissioners of Inland Revenue have approved the appointment of such Trustee or
 - (ii) the Commissioners of Inland Revenue have indicated in writing to the remaining Trustee or Trustees that they do not require the appointment of a new Trustee
11. THE Trustees or any of them may resign their appointment as the trustees or trustee hereof by serving on the Principal Company one month's notice in writing to that effect which notice shall be delivered to or sent by registered post to the registered office of the Principal Company and at the expiration of any such notice the Trustees or other the trustee or trustees so resigning shall be deemed to have retired from the trusts and the Principal Company shall execute such documents and do such things as may be necessary to give proper effect to such retirement
12. THE Trustees shall have power at any time and from time to time in their absolute discretion to borrow or raise money on such terms as they shall think fit (including but not by way of limitation for the purpose of

purchasing or otherwise acquiring property or assets of any nature whatsoever or any interest therein) and to mortgage charge pledge or otherwise encumber the assets of the Scheme or any part thereof (whether or not being such property assets or interest) as security for the repayment of monies so borrowed or raised and for payment of all costs charges or expenses howsoever arising in connection therewith or otherwise for securing liabilities of or associated with the Scheme PROVIDED that the Trustees may not delegate any of their powers relating to the raising of money for any purpose and the exercise of these powers shall require the unanimous approval of all the Trustees for the time being.

13. THE Trustees shall have power to insure against loss or damage by fire and such other risks as they in their absolute discretion think fit any property for the time being held pursuant to the Scheme to its full value and to pay the premiums therefor out of any monies for the time being held pursuant to the Scheme and so that any monies received by the Trustees under any policy of such insurance may (in the absolute discretion of the Trustees) be applied in making good the property insured or treated as if they were the proceeds of sale of such property

14. UNLESS otherwise determined in accordance with the Rules the Trusts created by the Interim Deed and this Deed shall continue for a period of 80 years from the date of the Interim Deed or for such further period as may be lawful

IN WITNESS whereof the Principal Company and Pensioner Trustees Limited have caused their respective Common Seals to be hereunto affixed and the other Trustees have hereunto set their respective hands and seals the day and year first before written

THE SCHEDULE before referred to

THE RULES
INTERPRETATION

1. In these Rules the words and expressions following shall unless inconsistent with the subject or context have the following meanings:
 - (1) "ACCUMULATED CONTRIBUTIONS" in respect of a Member means the amount of contributions (if any) paid by the Member into the Scheme (which expression includes any portion of a transfer payment paid into the Scheme pursuant to Rule 27 which represents the contributions of such Member but excludes any contributions previously refunded to the Member or paid out of the Scheme as part of a transfer payment pursuant to Rule 26) together with Compound Interest
 - (2) "ACTUARY" means such Fellow of the Institute of Actuaries or the Faculty of Actuaries in Scotland (or, if appropriate at anytime, such corporate body having a director or employee who is a Fellow of the Institute of Actuaries or Faculty of Actuaries in Scotland) appointed from time to time by the Trustees to be the Actuary to the Fund
 - (3) "COMPANIES" means the Principal Company and any Subsidiary or Associated Company to employees of which the benefits of the Scheme have been extended by the Principal Company pursuant to the Trust Deed by means of a deed entered into by the Principal Company the Trustees and the said Subsidiary or Associated Company PROVIDED THAT employees of any company to which the benefits of the Scheme may be extended as aforesaid shall not (unless the Principal Company at the time of such benefits being extended otherwise directs) be entitled to count for any pension purpose under the Rules any period of service with such company prior to the date on which benefits of the Scheme are deemed to have been extended to employees of such company

- (4) "COMPOUND INTEREST" in respect of contributions shall accrue at the rate of 5 per cent per annum on the amount of contributions for the time being with annual rests on the last day of the Scheme Year in each year no interest being allowed on intermediate payments of contributions
- (5) "DEFERRED PENSIONER" means a former Member who takes a deferred pension under Rule 24
- (6) "DEPENDANTS" means and includes in relation to a Member or Pensioner any persons (whether or not Relatives) who in the opinion of the Trustees were at the time of such Member's or Pensioner's death dependent upon the Member or Pensioner for the provision of all or any of the ordinary necessities of life
- (7) "DISCRETIONARY TRUSTS" means that in regard to any sum directed to be held thereon in respect of a deceased Member or Pensioner
 - (a) the Trustees shall have power to pay or apply the whole or any part of such sum to or for the benefit of all or any of the Relatives Dependants personal representatives or nominated beneficiaries of the deceased Member or Pensioner in such shares and proportions as the Trustees shall in their absolute discretion decide but so that if the Member or Pensioner shall not leave any Relative or Dependant the Trustees may elect to retain all or any part of such sum as part of the Scheme and without prejudice to the generality of the foregoing power the Trustees shall have power to declare in respect of any sum or part thereof such trusts terms and limitations including such provisions for maintenance education or advancement or for accumulation of any income during a minority and including such discretionary trusts and powers as the Trustees shall from time to time by deed revocable or irrevocable appoint but without infringing the rule against perpetuities and so that any trusts terms or limitations so declared shall be constituted and administered

separately from the trusts of this Scheme and the Trustees shall have power to appoint as persons or a trust corporation and to remove any such trustee and appoint any other trustee in place of any one so removed and provide for their remuneration;

- (b) if or to the extent that the Trustees shall not exercise the powers contained in sub-Clause (a) hereof within two years of the death of the Member or Pensioner the Trustees shall hold such sum as a separate fund from the Scheme constituted hereunder upon trust for the personal representatives of the deceased Member or Pensioner or if there are none the statutory next of kin of the deceased Member or Pensioner;
 - (c) the Trustees may but without being in any way bound to do so have regard to any document signed by the Member or Pensioner concerned expressing his wishes relating to the disposal of any sum to be held upon the Discretionary Trusts and may issue forms to Members and Pensioners for the purpose; and any person named in such document whether or not such person is a Dependant or Relative of the Member or Pensioner shall be a nominated beneficiary for the purposes of this definition
- (8) "EMPLOYEE" means a person who is in permanent Service
 - (9) "FINAL REMUNERATION" has the meaning assigned to it in Rule 28
 - (10) "INSURANCE COMPANY" means an insurance company to which part II of the Insurance Companies Act 1982, or any statutory amendment or re-enactment thereof for the time being in force, applies, and which is authorised by or under Section 3 or 4 of that Act to carry on ordinary long-term insurance business as defined in the Act
 - (11) "MEMBER" means any person (including a Deferred Pensioner) other than a Pensioner who has agreed to comply with and be bound by the

Rules and who has not ceased to be a Member in accordance with the Rules and "Membership" has a corresponding meaning

- (12) "NORMAL PENSION AGE" means such age between 60 and 70 years as shall be notified to the Member in writing by the Principal Company on entry into the Scheme or as subsequently amended in writing by agreement
- (13) "PARTICIPATING COMPANY" means any of the Companies which has not retired from the Scheme under the provisions of Rule 49
- (14) "PENSIONABLE SALARY" means the highest average Salary earned by a Member during any three or more consecutive years ending not earlier than ten years before or the average Salary during such shorter period as has been served immediately preceding his withdrawal retirement death or the coming into operation of Rule 22 or his attaining the Normal Pension Age whichever first occurs PROVIDED THAT subject to the prior approval of the Commissioners of Inland Revenue Salary shall be increased in proportion to the increase in the cost of living in the manner described in the definition of Final Remuneration
- (15) "PENSIONABLE SERVICE" has the meaning assigned to it in Rule 28.
- (16) "PENSIONER" means any person for the time being in receipt of a pension (not including an annuity to a widow or widower) out of the Scheme or under an annuity policy purchased on his behalf by the Trustees.
- (17) "THE PRINCIPAL COMPANY" means Stephen Ward Photography Limited.
- (18) "QUALIFYING SERVICE" in respect of a person means the aggregate of any periods of Membership together with any period of Service with the Companies which qualifies the Member for retirement benefits under any

other scheme of the Companies in which there are no other participating companies and with any periods of service pensionable in any other pension scheme or arrangement for which a transfer value has been received by the Scheme pursuant to Rule 27 less any such service which precedes an interval exceeding one month between successive such periods if each of the following three conditions is satisfied in respect of such interval

- (a) During such interval such person was neither a Member nor a Pensioner of the Scheme
- (b) A refund of contributions under Rule 24 or a transfer payment under Rule 26 has been made in respect of service preceding the interval
- (c) The interval is not terminated by the exercise of the right of the Employee to re-enter Service under Part III of the Employment Protection (Consolidation) Act 1978

PROVIDED THAT no period of Service shall be reckoned twice

(19) "RELATIVES" means and includes:

- (a) the spouse widow or widower of the Member or Pensioner
- (b) the father and mother and grandparents (whether natural or adoptive) of the Member or Pensioner and any widow or widower of such father mother or grandparents
- (c) any person (except such Member or Pensioner) who is the child or remoter issue (whether natural or adoptive) of any such father mother or grandparents and the spouse widow or widower of any such person

- (20) "RELEVANT BENEFITS" or "RETIREMENT BENEFITS SCHEME" shall be interpreted in accordance with Chapter I Part XIV of the Taxes Act.
- (21) "RULES" means these Rules or other the Rules for the time being in force having regard to any alterations made therein
- (22) "SALARY" means the actual fixed salary or wages payable to a Member together with fluctuating emoluments from such sources as the Principal Company shall with the consent of the Trustees designate as being applicable for the purposes of contributions and benefits with regard to the Scheme or such greater amount as may be applicable under the provisions of Rule 8
- (23) "SCHEME" means the Pension Scheme established under the Trust Deed (as from time to time amended) and which is known as the Stephen Ward Photography Directors Pension Scheme
- (24) "SCHEME YEAR" means a period of twelve months ending on the 31st March or such other date as the Trustees shall from time to time determine
- (25) "SERVICE" or "THE SERVICE" means (subject as herein otherwise provided) continuous employment on a permanent basis with any of the Companies and Service shall be deemed to be continuous although performed partly with one such Company and partly with another or others of such Companies and subject to the prior approval of the Commissioners of Inland Revenue the expression Service also includes service with any company absorbed by or amalgamated with any of the Companies or which is otherwise a predecessor in business of any of the Companies PROVIDED ALWAYS THAT subject to the prior approval of the Commissioners of Inland Revenue the Trustees may at their discretion allow the aggregation of broken periods of employment on such

terms and conditions as on the advice of the Actuary the Trustees shall think fit and PROVIDED FURTHER THAT Service shall cease when the Company employing the Member ceases to be a Participating Company

- (26) "SUBSIDIARY" or "ASSOCIATED COMPANY" means any company having its registered office in the United Kingdom which is directly or indirectly controlled by or associated in business or by common management or shareholding with the Principal Company or whose participation in the Scheme shall be acceptable to the Commissioners of Inland Revenue
- (27) "TAXES ACT" means the Income and Corporation Taxes Act 1988
- (28) "TRUST DEED" means the Interim Deed and this Deed (but not the Rules) and any deed under which a Subsidiary or Associated Company binds itself to comply with and be subject to the provisions of the Trust Deed and the Rules and any supplemental deed which alters the provisions of the Trust Deed
- (29) "TRUSTEES" means the Trustees for the time being of the Scheme
- (30) "YEAR" shall include a fraction of a year calculated by reference to the number of complete months in any incomplete year which shall be taken into account for all purposes as representing twelfths of a year
- (31) Words importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender unless the context otherwise requires

OBJECT OF THE SCHEME

2. The object of the Scheme is to provide Relevant Benefits for such persons as are stated in the Rules to be eligible therefor and in accordance with the Rules

ELIGIBILITY FOR MEMBERSHIP

3. The Employees eligible for Membership are those who comply with the following conditions namely that they:
 - (1) have not attained Normal Pension Age and
 - (2) have been invited by the Principal Company to join the Scheme and have accepted such invitation

MEMBERSHIP

4. Employees who are eligible for Membership in accordance with the provisions of Rule 3 shall join the Scheme as from a date agreed between the Employee concerned and the Principal Company
5. Every employee becoming a Member of the Scheme shall thenceforth as a condition of Membership agree to comply with the Rules and be bound thereby. The agreement shall be in such form as the Trustees shall from time to time prescribe
6. No Member shall be entitled to withdraw from the Scheme while he remains in the Service

CONTRIBUTIONS BY MEMBERS

7. (1) Each Member is required to contribute at such a rate as determined by the Principal Company and notified in writing to the Member

- (2) In addition the Member may make voluntary contributions to the Scheme to secure additional benefits. Any retirement benefits so secured must be in the form of non-commutable pension for himself, his spouse or his Dependants.
 - (3) The total contributions paid by the Member to this and any other scheme providing benefits in respect of service with the Company employing him in a year of assessment shall not exceed 15% of his remuneration for that year.
 - (4) For the purposes of sub-Rule 7(3) above "remuneration" does not include
 - (a) anything in respect of which tax is chargeable under Schedule E and which arises from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares, or
 - (b) anything in respect of which tax is chargeable by virtue of Section 148 of the Taxes Act
 - (5) All contributions by a Member shall be deducted by the Company employing him from any earnings becoming due and payable to the Member and such contributions shall then be paid to the Trustees.
8. Any Member who is contributing in accordance with Rule 7 and who suffers a reduction in his remuneration at any time after having attained an age 10 years before Normal Pension Age owing to his being on the grounds of failing health employed in a less remunerative capacity shall be entitled if he so desires to continue to contribute to the Scheme on the basis of the Salary in respect of which he was contributing immediately before such reduction and if he does so his Pensionable Salary shall be calculated as if he had actually been in receipt of Salary appropriate to the contributions made by him

CONTRIBUTIONS BY THE COMPANIES

9. Each of the Companies shall in each year during the continuance of the Scheme contribute thereto in respect of Members employed or formerly employed by such Companies such amounts as may be determined by the Trustees on a basis which has been certified as reasonable by the Actuary to be appropriate having regard to the target benefits under the Scheme described in the explanatory notices issued to Members or such lesser amounts as the Companies and the Trustees may agree

DISCONTINUANCE

10. Contributions to the Scheme may be discontinued at any time by the Principal Company giving three months' notice in writing to the Trustees. From the date of the expiration of such notice none of the Companies shall be liable for any further payments to the Scheme but without prejudice to any liability for payments due on or before the date of expiration of such notice. The assets of the Scheme shall continue to be held by the Trustees and be applied to provide benefits for Members and Pensioners in accordance with the Rules. The provisions hereinafter contained as to Winding Up and Determination shall continue to apply notwithstanding the discontinuance as aforesaid

RETIREMENT AT NORMAL PENSION AGE

11. Members shall be bound to retire from the Service on attaining Normal Pension Age except those who by special arrangement with the Principal Company are allowed to remain in the Service

QUALIFICATION FOR PENSION

12. Every Member who shall have attained Normal Pension Age and retired from the Service shall be entitled during life to an annual pension commencing as from actual retirement

AMOUNT OF PENSION PAYABLE

13. (1) Subject to the provisions of Rule 28 a Member who retires at Normal Pension Age shall thenceforth be paid a pension for life of an amount equal to the pension that can be provided by contributions paid by him and on his behalf up to his Normal Pension Age such pension to be determined by the Trustees on a basis which has been certified as reasonable by the Actuary; and
- (2) In addition to the above the Member shall receive any benefits pursuant to Rule 27 PROVIDED THAT the total benefits shall not exceed the limit specified in Rule 28.
14. A Member who attains Normal Pension Age but who remains in the Service by special arrangement pursuant to Rule 11 shall on actual retirement be entitled to receive the same pension in all respects as he would have received pursuant to the preceding Rule if he had retired on attaining Normal Pension Age but increased by such an amount as the Actuary shall certify as reasonable having regard to the period for which commencement of pension has been deferred PROVIDED THAT if the Member is or has been a Special Director as defined in Rule 28 the benefits payable under this Rule will be calculated as if his actual retirement date or his 70th birthday if earlier were his Normal Pension Age so as not to treat as service after Normal Pension Age any service before age 70

RETIREMENT BEFORE NORMAL PENSION AGE

15. Any Member of the Scheme who in the opinion of the Principal Company has become incapable of discharging his duties by reason of permanent physical or mental incapacity and who has retired from Service in consequence thereof shall (notwithstanding that he may not otherwise be eligible for a pension under the Rules) be entitled on retirement during life

to the annual pension which can be provided by contributions paid by him and on his behalf up to the time of retirement such pension to be determined by the Trustees on a basis which has been certified as reasonable by the Actuary PROVIDED THAT such pension shall not exceed the limits specified in Rule 28 and PROVIDED FURTHER THAT if a Member who has retired under the provisions of this Rule should in the opinion of the Trustees recover his health prior to his attaining Normal Pension Age then in that event the Trustees may in their absolute and uncontrolled discretion reduce the amount payable to such Member until Normal Pension Age

16. Any Member who has attained the age of 50 years and who is not eligible to retire under Rule 15 may subject to the prior approval of the Principal Company retire on pension at any time. In any such case the Member shall receive a pension equal to the amount which can be provided by contributions paid by him and on his behalf up to the time of retirement together with any benefits pursuant to Rule 27 such pension to be determined by the Trustees on a basis which has been certified as reasonable by the Actuary PROVIDED THAT such pension shall not exceed the limits specified in Rule 28

17. A Member who retires and receives a pension under the provisions of Rule 15 or 16 or a Member who retires with entitlement to a pension under Rule 24 shall be entitled (before but not more than two months before actual retirement) by written application to the Trustees to request that an annuity be provided for his spouse or a Dependant as mentioned in Rule 18 and to any such application all the provisions of Rule 18 shall apply with the substitution of a reference to such Member's age at retirement for any references to the Normal Pension Age

SURRENDER FOR ANNUITY TO SPOUSE OR DEPENDANT

18. (1) A Member may by written application to the Trustees before but not more than two months before attaining Normal Pension Age request that an

annuity commencing on the death of such Member be provided for the spouse or a Dependant of the Member (hereinafter called "the proposed annuitant") and the Trustees shall if satisfied after obtaining a medical report or otherwise that the Member is in an average state of good health having regard to his age and subject to proof of the age of the proposed annuitant grant such application on the terms that the consideration for the annuity shall be the surrender of part of the pension payable on retirement at Normal Pension Age (or which would have been so payable if such Member had retired at Normal Pension Age) which shall be permanently reduced by the amount surrendered. In the case of such a Member who does not retire until after the Normal Pension Age the provisions of Rule 14 relating to the increase of the pension payable on actual retirement shall apply only to the reduced pension remaining payable to the Member

- (2) The amount of the annuity (which will be payable during the residue of the life of the proposed annuitant) shall be determined by the Actuary and shall be such that the actuarial value thereof together with the actuarial value of the reduced pension remaining payable to the Member concerned shall be equal to the actuarial value of the pension otherwise payable to such Member if he had actually retired on attaining the Normal Pension Age PROVIDED THAT for all purposes of computation under this sub-Rule the Member concerned shall be deemed to be in normal health and provided also that the annual amount of the annuity shall in no case be permitted to exceed the reduced annual pension payable to the Member
- (3) If the proposed annuitant should die before the Member concerned only the reduced amount of the Member's pension will continue to be payable but subject as provided in sub-Rule (5) hereof
- (4) No application for an annuity shall be capable of withdrawal after being granted by the Trustees except with the Trustees' consent in writing
- (5) Any such application as aforesaid (whether or not granted) will be cancelled should the Member or the proposed annuitant die before the

Member actually retires on pension

- (6) In the event of the death of the Member after attaining Normal Pension Age but before retiring on pension he shall be deemed for the purposes of this Rule to have retired on pension immediately prior to his death
- (7) If the Trustees consider that the Member is not in an average state of good health having regard to his age they may notwithstanding sub-Rules (1) and (2) hereof grant such application on such terms as they think fit on a basis which has been certified as reasonable by the Actuary PROVIDED THAT such terms shall not be more favourable than those that would have been offered if the Member had been in an average state of good health.

COMMUTATION OF PENSION

19. (1) At the time payment of pension begins and with the consent of the Trustees a Member may commute a part of all of the pension payable for a lump sum on a basis which has been certified as reasonable by the Actuary and agreed by the Commissioners of Inland Revenue as equivalent to the value of the pension forgone having regard to the Member's age at retirement provided that the lump sum payable shall not exceed the maximum such benefit under the terms of Rule 28.
- (2) If a Member or spouse or dependant of a Member is entitled to a pension not exceeding £104 per annum or such higher amount as prescribed from time to time by regulations made under paragraph 15(4) of Schedule 16 of the Social Security Act 1973 (before any commutation referred to in (1) above) from this and all other Retirement Benefits Schemes of the Companies or to which the Companies have contribution or if the Member is in exceptional circumstances of serious ill health then when the pension is due to commence the Trustees may commute the whole of such pension for a lump sum payment the amount of which shall be actuarially equivalent to the pension forgone except that for the purposes of the calculation the Member shall be assumed to be in normal health

PROVIDED THAT no pension shall be commuted on grounds of exceptional circumstances of ill-health without the prior consent of the Commissioners of Inland Revenue

- (3) If a Member remains in Service after attaining Normal Pension Age in accordance with Rule 14 he may elect to receive at a date earlier than the date of his actual retirement from Service but not earlier than his Normal Pension Age a lump sum in commutation of part of his pension entitlement and calculated in accordance with sub-Rule (1) hereof PROVIDED THAT once a lump sum has been received no further lump sum will be payable
- (4) Payments made under this Rule shall be subject to the provisions of Rule 28

DEATH OF A MEMBER

- 20. In the event of the death of a Member while under the Normal Pension Age the Trustees may at their discretion raise out of the Scheme such Member's Accumulated Contributions and subject to the provisions of Rule 28 if such Member was in the Service at the time of his death the Trustees may also in their discretion raise out of the Scheme an amount of up to 4 years' Salary at the rate of Salary payable to such Member immediately prior to his death and the amount or amounts so raised shall be held upon Discretionary Trusts PROVIDED THAT the amount so raised shall be limited as certified by the Actuary if the contributions paid by the Member and on his behalf together with the proceeds of any insurance policy effected by the Trustees on the life of the Member are insufficient to provide the target benefits arising on the death of the Member
- 21. In the event of the death of a Member in Service while under Normal Pension Age the Trustees may in their discretion pay to the spouse of any such Member a pension ceasing on the death of the spouse calculated as not more than four-ninths of the Member's Salary immediately before his death or such lesser amount as may be approved by the Commissioners of

Inland Revenue or if no such spouse survives the Member the Trustees may at their absolute discretion apply a pension to the benefit of any Dependant of the Member PROVIDED THAT if such Dependant is a child then unless he would be a Dependant otherwise than by reason of minority the pension payable to him shall cease at the age of 18 years or the completion of full-time education if later but in any event shall not continue after the attainment of age 21 years and FURTHER PROVIDED THAT the benefits under this Rule shall be reduced as certified by the Actuary if the contributions paid by the Member and on the Member's behalf together with the proceeds of any insurance policy effected by the Trustees on the life of the Member are insufficient to provide the benefits arising on the death of the Member

22. (1) In the event of the death of any Member who has attained Normal Pension Age and has remained in Service by special arrangement pursuant to Rule 11 and has not received a lump sum payment pursuant to Rule 19(3) the Trustees may in their discretion pay a spouse's or Dependant's pension as provided under Rule 21 and may in their discretion raise out of the Scheme such Member's Accumulated Contributions and an amount up to 4 years' Salary at the rate payable to such deceased Member immediately prior to his death and the amount so raised shall be held upon Discretionary Trusts if death occurs before the 75th birthday of the Member or shall be paid automatically to his legal personal representatives if death occurs on or after the 75th birthday of the Member PROVIDED THAT the benefits so paid or raised shall be limited as certified by the Actuary if the contributions paid by the Member and on the Member's behalf together with the proceeds of any insurance policy effected by the Trustees on the life of the Member are insufficient to provide the benefits arising on the death of the Member
- (2) In the event of the death of any Member who has attained Normal Pension Age and has remained in Service by special arrangement pursuant to Rule 11 but has received a lump sum payment pursuant to Rule 19(3) he shall be deemed to have retired on pension on the date of his death and a sum

equal to the amount of monthly pension which would have been paid to such deceased pensioner multiplied by 60 may at the discretion of the Trustees be raised out of the Scheme and held upon Discretionary Trusts if death occurs before the 75th birthday of the Member or shall be paid automatically to his legal personal representatives if death occurs on or after the 75th birthday of the Member and in addition a spouse's or Dependant's pension may be paid at the discretion of the Trustees as provided under sub-Rule 23(1)

DEATH OF A PENSIONER

23. In the event of the death of any Pensioner

- (1) the Trustees may in their discretion pay to the spouse of any such Pensioner a pension ceasing on the death of the spouse calculated as not more than two-thirds of the pension that would have been payable to the said Pensioner immediately before his death had he not given up any of his pension under the terms of Rules 17, 18 and 19 or if no such spouse survives the Pensioner the Trustees may at their absolute discretion apply a pension to the benefit of any Dependant of the Pensioner PROVIDED THAT if such Dependant is a child then unless he would be a Dependant otherwise than by reason of minority the pension payable to him shall cease at the age of 18 years or the completion of full-time education if later but in any event shall not continue after the attainment of age 21 years; and
- (2) if the death takes place before the expiration of five years after the date on which the payment of pension commenced, a sum equal to the amount of monthly pension being paid to such deceased Pensioner out of the Scheme multiplied by the excess of 60 over the number of monthly instalments of pension paid prior to death may at the discretion of the Trustees be raised out of the Scheme and held upon Discretionary Trusts

RETURN OF CONTRIBUTIONS, DEFERRED PENSION

24. (1) Any Member who leaves Service before Normal Pension Age and who does not take an immediate pension out of the Scheme shall be entitled to a deferred pension payable from the Normal Pension Age calculated in accordance with sub-Rule(2) hereof PROVIDED THAT the total benefits payable under this Rule shall not exceed the limits specified in Rule 28
- (2) The said deferred pension shall be calculated in the manner of Rule 13(1) PROVIDED THAT the figure calculated under (a) thereof shall be based on contributions paid up to his date of leaving and FURTHER PROVIDED THAT the figure calculated under (b) thereof shall be based on the Pensionable Service that he could have completed by Normal Pension Age and then reduced by applying the Uniform Accrual Fraction as defined in sub-Rule (3) hereof AND FURTHER PROVIDED THAT the value of such deferred pension shall to the reasonable satisfaction of the Trustees exceed or compare reasonably with his Accumulated Contributions
- (3) For the purpose of this Rule only "UNIFORM ACCRUAL FRACTION" means the Member's actual Service divided by the Service that he would have completed if he had remained in Service until Normal Pension Age
- (4) In addition the Member shall receive any benefits pursuant to Rule 27
- (5) Any Member who has contributed to the Scheme in accordance with Rule 7 and leaves Service and whose age on leaving is less than 26 years or whose Qualifying Service is less than 5 years and who is not debarred from a refund of contributions under proviso (ii) of Rule 27 may take a refund of his Accumulated Contributions in place of a deferred pension and shall thereupon cease to be a Member

INCREASE OF PENSIONS IN PAYMENT

25. (1) Subject to Rule 28 hereof pensions to former Members (before reduction under Rule 19 hereof if applicable) spouses' or Dependants' pensions and children's allowances in course of payment may at the discretion of the Trustees be increased each year by up to an amount proportional to the rise in the cost of living measured by the Index of Retail Prices published by the Department of Employment or such other index as the Trustees may select with the agreement of the Commissioners of Inland Revenue over the period since the last increase under this Rule or the commencement of benefit if later PROVIDED THAT the said increases shall be restricted or withheld to the extent if any certified by the Actuary as necessary to protect the interests of Members or the financial solvency of the Scheme
- (2) The Trustees' power to augment pursuant to Rule 29 shall continue to apply notwithstanding any increases granted pursuant to sub-Rule (1) hereof

TRANSFER OUT

26. If a Member (not being a person who resigns to avoid dismissal for or who has been dismissed for fraud dishonesty or misconduct of which the Company employing such Member shall be the sole judge) leaves the Service for employment with another employer then in place of the benefits available under Rule 24 the Trustees may with the consent of such Member and subject to the approval of the Company lately employing him pay direct to the administrator of the pension scheme maintained by the new employer (hereinafter called "the receiving scheme") the amount returnable pursuant to Rule 24 or the amount that would be so returnable if a restriction on refunds did not apply together with any amount representing a former employer's contributions and interest transferred into the Scheme on the entry of such Member and together with such further amount in respect of such Member's interest in the Scheme as the Trustees

acting on a basis which has been certified as reasonable by the Actuary may think fit and when such payment (hereinafter called "the transfer payment") is made the Member concerned shall cease to be a Member of the Scheme PROVIDED THAT

- (a) The Trustees shall ascertain from the administrator of the receiving scheme the section and Act under which that scheme is approved by the Inland Revenue and shall make a transfer payment only to a scheme exempt approved under Chapter I Part XIV of the Taxes Act or to a scheme approved by the Commissioners of Inland Revenue for the purposes of this Rule
- (b) the Trustees shall certify the amount included in the transfer payment which represents the Member's contributions
- (c) in any case where the Member is debarred from taking a refund of contributions on leaving Service before Normal Pension Age the Trustees shall obtain from the administrator of the receiving scheme an undertaking that a similar restriction will be applied to the benefits arising out of the transfer payment

TRANSFER IN

27. If a Member joining the Scheme has been a member of any retirement benefits scheme or arrangement (hereinafter called "the transferring scheme") the Trustees shall be entitled to receive any sum payable therefrom in respect of such Member and acting on actuarial advice taking into account the sum so transferred (hereinafter called "the transfer payment") shall determine the benefits to which the Member will be entitled under the Scheme PROVIDED THAT

- (i) no part of any transfer payment which represents contributions made by the Member's former employer shall be treated as contributions of

the Member

- (ii) the Trustees shall comply with any restriction on refunds on leaving the Service notified by the administrator of the transferring scheme
- (iii) in those cases where additional Pensionable Service is awarded the Trustees shall accept a transfer payment only with the approval of the Commissioners of Inland Revenue if both the starting salary of the Employee concerned is more than £3,000 per annum and the number of years of prospective Service to Normal Pension Age is 15 or less and less than twice the number of years of additional Pensionable Service which will be granted in respect of such transfer payment
- (iv) in those cases where additional benefits are awarded other than by the granting of added years of Pensionable Service the Trustees shall obtain from the administrator of the transferring scheme a certificate stating the maximum amount of retirement benefit which may be paid in lump sum form and stating further that such amount is acceptable to the Commissioners of Inland Revenue and the Trustees shall not pay out in respect of the transfer payment any lump sum retirement benefit in excess of this amount except under the provisions of sub-Rule(2) of Rule 19

MAXIMUM BENEFITS

28. Notwithstanding anything to the contrary in the Scheme provisions, the benefits payable to a member or his widow dependants or other beneficiaries in respect of him shall not when aggregated with all benefits of a like nature provided under all other schemes providing relevant benefits in respect of service exceed the limits set out below. For the purpose of these limits, the following terms shall have the meanings ascribed to them

AGGREGATE RETIREMENT BENEFIT shall 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

ASSOCIATED SCHEME shall mean any other retirement benefit scheme providing benefits in respect of service.

CONTROLLING DIRECTOR shall mean a director of one of the Companies who was prior to 6th April 1973 a controlling director (as defined in Section 224(3) of the Income and Corporation Taxes Act 1988) of that company

FINAL REMUNERATION shall mean the greater of

- (a) the highest remuneration of any one of the 5 years preceding the date of retirement leaving Service or death as the case may be (hereinafter referred to as the Relevant Date) being the aggregate of
 - (i) the basic pay of 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 any increase in the Index from the last day of that year up to the last day of the basic pay year, and

- (b) the yearly average of the total emoluments for any 3 or more consecutive years ending not earlier than 10 years before 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 an interest in shares or from a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 148 of the Taxes Act;
- (ii) in relation to a Special Director or any other Member whose remuneration in any Year subsequent to 5th April 1987 used for the purpose of calculating benefits has exceeded £100,000 or such other figures as may be prescribed in an order made by the Treasury, Final Remuneration shall (subject to proviso (iv) below) be the amount ascertained in accordance with (b) above and (a) above shall not apply;
- (iii) 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 (as calculated in (a) above) or total emoluments (for the purposes of (b) above) of any year may be increased in proportion to any increase in the Index from the last day of the year up to the Relevant Date but this proviso shall not apply to the calculation of the maximum Lump Sum Retirement Benefit in accordance with sub-Rule 28(2) below unless (and subject to proviso (iv) below) the Member's Aggregate Retirement Benefit is similarly increased beyond the maximum amount which could have been paid but for this proviso and the proviso to (a)(ii) above and then only to the same proportionate extent;

- (iv) for the purpose of the calculation of the maximum Lump Sum Retirement Benefit in accordance with sub-Rule 28(2) below Final Remuneration shall not in any event exceed £100,000 or such other sum as may be specified in an order made by the Treasury.

INDEX shall mean the Government's Index of Retail Prices.

LUMP SUM RETIREMENT BENEFIT shall mean the total value of all retirement benefits payable in any form other than non-commutable pension under this and any Associated Scheme

PENSIONABLE SERVICE shall have the meaning ascribed to it by paragraph 3 Schedule 16 Social Security Act 1973

SPECIAL DIRECTOR shall mean a member who at any time on or after 17th March, 1987 and in the last 10 years before retirement has been both a director within the definition of a director in Section 612 of the Taxes Act and within paragraph (b) of Section 417(5) of the Taxes Act in relation to his employing Company

- (1) The Member's Aggregate Retirement Benefit shall not exceed:
 - (a) on retirement at or before Normal Pension Age a pension of $\frac{1}{60}$ th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice approval of the Scheme under Chapter I Part XIV of the Taxes Act;
 - (b) on retirement after Normal Pension Age a pension of the greatest of:
 - i. the amount calculated in accordance with sub-Rule 28(1)(a) on the basis that the actual date of retirement was the Member's Normal Pension Age

- ii. the amount which could have been provided at Normal Pension Age in accordance with sub-Rule 28(1)(a) 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 $\frac{1}{60}$ th of Final Remuneration for each year of Service before Normal Pension Age (not exceeding 40 such years) and of a further $\frac{1}{60}$ th of Final Remuneration for each year of Service after Normal Pension Age with an overall maximum of 45 reckonable years

Final Remuneration being computed in respect of i and iii above as at the actual date of retirement but subject always to sub-Rule 28(6) below

- (c) on leaving Pensionable Service before Normal Pension Age a pension of $\frac{1}{60}$ th of Final Remuneration for each year of completed Service (not exceeding 40 years) or of such greater amount as will not prejudice approval of the Scheme under Chapter I Part XIV of the Taxes Act. 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 pension begins to be payable

(2) The Member's Lump Sum Retirement Benefit shall not exceed

- (a) on retirement at or before Normal Pension Age $\frac{3}{80}$ ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice approval of the Scheme under Chapter I Part XIV of the Taxes Act;

(b) on retirement after Normal Pension Age the greatest of:

- i. the amount calculated in accordance with sub-Rule 28(2)(a) on the basis that the actual date of retirement was the Normal Pension Age
- ii. the amount which could have been provided at Normal Pension Age in accordance with sub-Rule 28(2)(a) together with an amount representing interest thereon and
- iii. where the Member's total Service has exceeded 40 years the aggregate of $\frac{3}{80}$ ths of Final Remuneration for each year of Service before Normal Pension Age (not exceeding 40 such years) and of a further $\frac{3}{80}$ ths of Final Remuneration for each year of Service after Normal Pension Age with an overall maximum of 45 reckonable years

Final Remuneration being computed in respect of i and iii above as at the actual date of retirement but subject always to sub-Rule 28(6) below

(c) on leaving Pensionable Service before Normal Pension Age a lump sum of $\frac{3}{80}$ ths of Final Remuneration for each year of completed Service (not exceeding 40 years) or such greater amount as will not prejudice approval of the Scheme under Chapter I Part XIV of the Taxes Act.

(3) The lump sum benefit (exclusive of any refund of the Member's own contributions) payable on the death of a Member while in Service or (having left Service with a deferred pension) before the commencement of his pension shall not when aggregated with all like benefits under Associated Schemes exceed the greater of:

- (a) £5,000 and
- (b) 4 times Final Remuneration

less

- i. any lump sum (other than a refund of his own contributions) payable on the death of the Member under all schemes of previous employers and
- ii. any lump sum life assurance benefit payable on the death of the Member under a retirement annuity contract or trust scheme approved under section 621 of the Taxes Act 1970 or a personal pension scheme approved under Section 631 of the Taxes Act,

if the aggregate of such lump sums exceeds £1,000

- (4) Any pension for a Dependant or spouse when aggregated with the pensions other than those provided by surrender of the Member's own pension payable to that Dependant or spouse under all Associated Schemes shall not exceed an amount equal to 2/3rds of the Aggregate Retirement Benefit

(a) being paid to the Member at the date of his death including any pension increases given under Rules 25 or 29 or

(b) being a deferred benefit payable to the Member at Normal Pension Age or

(c) prospectively payable to the Member who dies in Service had he remained in Service up to the Normal Pension Age at the rate of pay in force immediately before his death or

(d) prospectively payable to the Member who dies in Service after Normal Pension Age on the basis that he had retired on the day before he died

or such greater amount as will not prejudice approval of the Scheme under Chapter I Part XIV of the Taxes Act.

If pensions are payable to more than one Dependant or spouse of the Member the aggregate of all spouse's and Dependant's pensions payable in respect of him under this and all Associated Schemes shall not exceed the full amount of whichever is the appropriate Aggregate Retirement Benefit under (a) (b) (c) or (d) above or such greater sum as will not prejudice approval of the Scheme under Chapter I Part XIV of the Taxes Act.

- (5) The maximum amount of pension ascertained in accordance with this Rule less any pension which has been surrendered to provide a spouse's or Dependant's pension may be increased in proportion to the increase in the Index which has occurred since the pension commenced to be paid
- (6) If a Member elects under Rule 19(3) to take any part of his benefits under the Scheme in advance of actual retirement the limits set out in sub-Rules 28(1) and 28(2) above shall 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
- (7) The preceding provisions of this Rule shall be modified in their application to a Member who is or has been a Special Director or Controlling Director as follows:-

the amount of the maximum Aggregate Retirement Benefit in sub-Rule 28(1) above and of the maximum Lump Sum Retirement Benefit in sub-Rule 28(2) above shall be reduced where necessary for approval of the Scheme so as to take account of any corresponding benefits under either a retirement annuity contract or trust scheme approved under Section 621 of the Taxes Act or a personal pension scheme approved under Section 631 of the Taxes Act,

and in relation to a Member is who a Special Director at his Normal Pension Age as follows:-

- (a) where retirement takes place after Normal Pension Age but not later than the Member's 70th birthday sub-Rules (1)(b)ii and iii and sub-Rule (2)(b)ii and iii shall not apply and if retirement is later than the attainment of that age the said sub-Rules shall apply as if the Member's 70th birthday had been specified in the Rules as his Normal Pension Age so as not to treat as Service after Normal Pension Age any Service before the Member reaches the age of 70
- (b) where sub-Rule 28(6) above 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 shall not exceed the percentage increase in the Index during that period

ADDITIONAL BENEFITS and CONTRIBUTIONS

29. (1) At the request of a Participating Company the Trustees may

- (a) augment the pension or annuity in course of payment or prospectively or contingently payable out of the Scheme to or in respect of any Member Pensioner spouse child or other Dependant or the lump sum payable out of the Scheme on the death of any Member and
- (b) grant benefits out of the Scheme to any director or Employee or former director or Employee of such Participating Company or to the spouse child or other Dependant of any such director or Employee (without regard to whether he may be or have been a Member of the Scheme) who is not entitled to a benefit out of the Scheme and augment any benefits so granted whether in course of payment or prospectively or contingently payable save that once payment or part payment of any benefit has been made any subsequent augmentation shall be payable only in pension form PROVIDED THAT

- (i) the Participating Company shall undertake that there shall be paid into the Scheme such special contributions (if any) as the Actuary may certify to be necessary in order to liquidate any additional liability imposed on the Scheme
 - (ii) no benefit payable out of the Scheme shall be granted at or augmented to a level which would prejudice approval of the Scheme under Chapter I Part XIV of the Taxes Act.
- (2) Any of the Participating Companies may in addition to all other payments herein provided for pay any single or periodical sums into the Scheme by way of a special contributions either for the purposes of augmentation of the Scheme or otherwise
- (3) The Trustees shall notify the Commissioners of Inland Revenue of any special payment made into the Scheme under the provisions of this Rule as soon as possible after payment

DEDUCTIONS FROM BENEFITS

30. The Trustees shall have the power to deduct from any payment made out of the Scheme an amount not exceeding the liability to the Commissioners of Inland Revenue for any tax or duty on such payment

CALCULATION OF SERVICE

31. (1) In calculating the period of Membership completed by a Member any period or periods during which the services of the Member may have been suspended owing to illness or a period not exceeding twelve consecutive months during which they may have been suspended owing to any other cause beyond his control or owing to any cause approved by the Company employing him shall be deducted from the period which shall have elapsed since such Member first became a Member

- (2) If during such period of suspension a Member becomes a member of another Retirement Benefits Scheme his Pensionable Service shall terminate and he shall receive benefit under the terms of Rule 24 or Rule 26 unless prior notification has been received from the Commissioners of Inland Revenue that approval of the Scheme under Chapter I Part XIV of the Taxes Act will not be prejudiced by treating his Service as continuing
- (3) During any such period of suspension other than one prejudicial to the approval of the Scheme under sub-Rule(2) of this Rule the Trustees may treat Service as continuous and if they so do the Company employing the Member may elect to continue to pay for such period or periods as it may from time to time decide contributions calculated as though such Member had continued in the Service at the Salary applicable immediately prior to such suspension and in such event any period or periods in respect of which contributions are thus paid shall be deemed to be Pensionable Service but the contributions paid by the Company on the Member's behalf shall not form part of the contributions refundable to the Member under the terms of Rules 20 24 or 26

FORFEITURE AND NON-ASSIGNMENT OF BENEFITS

32. If a Member leaves the Service under a monetary obligation to his employer arising out of an act or omission by the Member which is criminal negligent or fraudulent then the benefits payable to such Member exclusive of any benefits to which he is entitled by reason of a transfer payment into the Scheme under Rule 27 and exclusive of any benefits to which he is entitled in respect of Service after the said obligation is established may be reduced by an amount not exceeding that certified by the Actuary as being equivalent in value to the said obligation and in such case the amount so recovered shall be payable to such employer whose receipt shall be a complete discharge therefrom and the Member shall be entitled to a certificate showing both the amount so recovered and the effects of recovery on his benefits PROVIDED THAT in the event of dispute as to the amount

recoverable such reduction shall only be made after the obligation has become enforceable under the order of a competent Court or the award of an arbitrator or in Scotland an arbiter to be appointed (failing agreement between the parties) by the Sheriff

33. Except as specifically provided for in the Rules no act or event shall be done or happen whereby a pension or annuity payable to a Pensioner or spouse of a Pensioner or (pursuant to Rule 35) the personal representatives of such a person or any contributions or other money returnable or payable to a Member or the Dependants or personal representatives of a Member or some part thereof respectively would if belonging absolutely to such Pensioner Member spouse or Dependant or to the Pensioner's or Member's estate become payable to or vested in or charged in favour of some other person. If any such act or event shall be done or happen then all interest in and right to such pension or annuity or contributions or other money shall be forfeited by such Pensioner Member spouse or Dependant and his or her personal representatives and such forfeiture shall extend to all other benefits hereunder (including in the case of a living Member and without prejudice to the generality hereof any benefit under Rule 18) PROVIDED ALWAYS THAT the Trustees may in their absolute discretion but only in case of financial or other hardship pay or apply any pension annuity contributions or other monies which but for such forfeiture would be payable to such Pensioner Member or such spouse or Dependant or his or her personal representatives to or for the benefit of all or such one or more exclusively of the other or others of the following persons namely such Pensioner Member or such spouse or Dependant and other persons immediately dependent in whole or in part on such Pensioner Member or such spouse or Dependant PROVIDED FURTHER THAT no payment shall in any circumstances be made to an assignee

RE-EMPLOYMENT IN CERTAIN CIRCUMSTANCES

34. Subject to the prior agreement of the Commissioners of Inland Revenue if a Pensioner other than a Pensioner who retired under the terms of Rule 15

again enters the Service while eligible to join the Scheme then his pension shall if the Pensioner consents cease forthwith and on subsequent withdrawal or retirement the benefits payable shall be the total of

- (a) the benefits defined elsewhere in these Rules based only on such Member's Service after re-entering the Scheme and
- (b) the pension (immediate or deferred) actuarially equivalent to the earlier award of pension forgone

DESTINATION OF BENEFITS

- 35. (1) The Trustees may in their discretion pay any annuity or allowance to which a child becomes entitled to such other person as is in the opinion of the Trustees largely responsible for the guardianship support or upbringing of the child
- (2) If the Trustees are of the opinion that any person entitled to benefit is incapable of managing his affairs due to physical or mental infirmity (whether or not he is a patient for the purposes of Part VIII of the Mental Health Act 1959) the Trustees shall be entitled at their discretion to pay any such benefit to any person approved by them who undertakes to apply such benefit to or for the maintenance and support of the person concerned and the Trustees shall not be under any obligation to see the application of any benefits so payable and actually paid to such person as aforesaid

GENERAL

- 36. For the purpose hereof any notice to any Member or Pensioner or other person in receipt of any annuity or entitled to any other benefit hereunder may be given by sending the same through the post in a letter addressed to him at his last known place of abode and any notice so sent shall be deemed to be served on the second day following that on which it is posted

37. All pensions and annuities shall be payable at such periods as the Trustees shall from time to time either generally or in any particular case decide and any pension or annuity may be paid in advance if the Trustees think fit PROVIDED THAT any such payments may not be made more than one year in advance
38. Pensions and annuities are payable only at the Head Office of the Principal Company and any agreement for a payment through the post or otherwise which may in any particular case be made by the Trustees shall be at the risk of the Pensioner or annuitant concerned
39. No Member Pensioner or annuitant shall have any claim or right to any benefit save if and so far as the Scheme allows and in accordance with the Rules
40. Every person becoming a Member of the Scheme shall thereupon or as soon as possible thereafter but in any event before any benefit is paid from the Scheme to him or in respect of his Membership (and at any subsequent time if required by the Trustees) be bound to produce evidence of his date of birth and such other facts as the Trustees may require and before making or sanctioning any payment out of the Scheme the Trustees may require the production of a certificate or such other evidence as they may think fit of the death of a Member or the date of birth or death of the spouse or any Dependant or the identity of any person named in a certificate or any other material fact
41. If any Member or spouse or Dependant of a Member shall make any misstatement as to any of the matters referred to in the preceding Rule the Trustees on discovering this misstatement shall have power acting on the advice of the Actuary to make such arrangements as they shall consider fair by way of adjustment of any pension annuity or other money payable out of the Scheme

42. Every Pensioner and annuitant shall give notice in writing to the Trustees of his place of residence at the time he becomes a Member of the Scheme or entitled to a pension or annuity out of the Scheme and thereafter shall give immediate notice of any change of residence
43. Nothing herein shall in any way restrict the rights of any of the Companies or their appropriate officials to determine the employment of any Member
44. The benefits to which a Member might claim to be entitled under the provisions hereof shall not be used as a ground for increasing damages or compensation in any action brought by such Member against the Company employing him
45. Every Member shall on demand be permitted to inspect a copy of the Rules of the Scheme and of all amendments thereof and of the latest statement of accounts balance sheet and Actuary's report
46. An actuarial investigation into the conditions of the Scheme shall be made by the Actuary at intervals of not more than three years and at the time of such investigation the Actuary shall review the contributions payable under Rule 9 and a copy of the Actuary's report shall be sent to the Commissioners of Inland Revenue as soon as is practicable after the investigation. In the event of the Actuary advising that any alteration in the Scheme is desirable then the Trustees in consultation with the Board of Directors of the Principal Company shall take such steps as they shall consider appropriate to ensure that such alterations or additions shall be made in or to the Scheme as may be considered expedient
47. The Trustees acting on actuarial advice may at any time and from time to time and when they shall for any reason consider it convenient in any particular case purchase from the United Kingdom Office of any Insurance Company an annuity (either immediate or deferred) for the purpose of answering or satisfying (in whole or in part) any pension which has then actually become payable (whether immediate or deferred) to any Member

or any annuity actually payable (whether immediate or prospective) to the spouse or Dependant of a Member and so that in any case where a Pensioner for whom an annuity is purchased has surrendered part of his pension in return for a spouse's annuity the annuity contract may provide for the payment to the spouse of an annuity of the same amount and commencing at the same time and payable on the same terms as the annuity which the spouse would have received under the Rules. Any annuity so purchased shall be purchased in the name of the Trustees for the benefit of the respective annuitant or annuitants and shall be paid or applied by the Trustees to the person or persons for the purposes and in the manner to and for and in which the pension or annuity in respect of which the same was purchased is payable or applicable in accordance with the Rules PROVIDED THAT any such annuity shall be non-assignable and shall be non-commutable except to the extent permitted under Rule 28

AMALGAMATION

48. (1) The Scheme may at any time be amalgamated with any other scheme for the time being established for the benefit of Employees of any of the Companies or of any other Company which may be an associated subsidiary or holding company of any of the Companies on such terms in all respects as the Principal Company and the Trustees shall agree. On any such amalgamation becoming effective the Trustees shall transfer the assets of the Scheme to the trustee for the time being of such other scheme as aforesaid and thereafter shall be free from all responsibility with regard thereto
- (2) Any scheme carried on for the benefit of Employees of any Subsidiary or Associated Company of the Principal Company may at any time be absorbed and amalgamated with the Scheme on such terms as the Trustees acting on actuarial advice and with the consent of a resolution of the Directors of the Principal Company shall think fit

- (3) Any such amalgamation as hereinbefore mentioned shall be subject to the approval of the Commissioners of Inland Revenue and no amalgamation or absorption shall be made with or by any scheme other than one approved by the Commissioners

WINDING UP AND DETERMINATION OF TRUSTS

49. If an Order shall be made or an effective resolution passed for the winding up (otherwise than for the purpose of reconstruction or amalgamation with any other Participating Company) of any Participating Company other than the Principal Company or if from any cause it shall at any time be found by any such Company other than the Principal Company to be impracticable or inexpedient for such Company to continue to participate in the Scheme or if any Company for the time being participating in the Scheme shall cease to be a Subsidiary or Associated Company as defined in the Rules such Company shall retire from the Scheme upon such terms (including the appropriation for the benefit of the Employees and any former Employees of such Company of such portion of the Scheme as may be certified by the Actuary to be fair having regard to the amounts contributed by such Company its Employees and former Employees and then remaining in the Scheme) and in such manner as the Trustees shall with the approval of the Board of Directors of the Principal Company think fit and any portion of the Scheme so appropriated shall be disposed of by the Trustees in accordance (mutatis mutandis) with the provisions of Rule 50 hereof
50. (1) If the Trustees shall at any time be of the opinion that the objects for which the Scheme was established no longer exist or that the administration thereof cannot conveniently be carried on they shall have power with the consent of the Board of Directors of the Principal Company (which consent shall however only be required if the Principal Company shall not be in liquidation or receivership) to determine the Scheme which shall be done only by unanimous resolution of the Trustees and thereupon the trusts upon which the assets of the Scheme were formerly held shall cease except to such extent as shall be required for the purposes of (2) below

- (2) Upon the determination of the Scheme the assets of the Scheme shall be held by the Trustees and used firstly to pay all charges and expenses secondly (to the extent that there shall be assets remaining) to secure in respect of each Member or Pensioner who is not a Special Beneficiary the benefits specified in (3) below (in the order therein set out) PROVIDED THAT such benefits shall be calculated on the assumption that no losses had been incurred in the period of two years prior to the date of determination of the Scheme on direct or indirect investments in the Principal Company or any Subsidiary or Associated Companies thirdly (to the extent that there shall be assets remaining) to secure in respect of each Member or Pensioner who is a Special Beneficiary the benefits specified in (3) below (in the order therein set out) fourthly (to the extent that there shall be assets remaining) at the discretion of the Trustees acting on actuarial advice to increase the benefits payable to the aforesaid persons and to make provision for future increases in such benefits to the maximum extent consistent with approval of the Scheme under Chapter I Part XIV of the Taxes Act having regard to their respective interests in the Scheme fifthly (to the extent that there shall be assets remaining) at the discretion of the Trustees acting under actuarial advice and with the agreement of the Commissioners of Inland Revenue to retain in the Scheme as far as possible monies for providing future further increases to the benefits and increases hereinbefore provided within such limits as may be consistent with the approval of the Scheme under Chapter I Part XIV of the Taxes Act and the Trustees shall secure such benefits by means of transfer payments in accordance with Rule 26 to other pension schemes or by means of individual annuity contracts with the United Kingdom Office of any Insurance Company or within the Scheme

PROVIDED THAT

- (i) no increase in benefit made under this Rule shall be such that the resulting benefit payable (being either the aggregate of all benefits payable from the assets of the Scheme to the person concerned or

that portion of the aggregate which is payable in lump sum form) would have prejudiced approval of the Scheme under Chapter I Part XIV of the Taxes Act had it continued in existence and had all Members left the Service immediately prior to the winding up

- (ii) a transfer payment shall only be made to another pension scheme if that scheme is approved by the Commissioners of Inland Revenue for the purposes of this Rule and shall be subject to such terms and conditions as the Commissioners may impose
- (iii) a transfer payment shall be paid on behalf of a Member to another pension scheme only if the Member gives his consent to such transfer in writing, unless that other scheme relates to either (a) the same employment or (b) another employment with the same employer or its successor when no such consent shall be necessary
- (iv) if benefit is secured by means of an individual insurance contract then
 - (a) the contract shall be endorsed to ensure that it is non-assignable
 - (b) the benefits payable to those Members who have not reached Normal Pension Age shall be payable from that age though provision may be made for the Member to take his benefits at any earlier age after the attainment of the age of 50 years
 - (c) the benefit shall consist of a non-commutable annuity except that provision may be made for commutation of a part of the annuity payable to a Member for a lump sum (not exceeding the amount described in (i) above) payable at the date of commencement of the annuity and if such provision is made the contract shall be endorsed to show the extent in monetary terms to which the benefit may be taken in lump sum form on retirement at Normal Pension Age and be further endorsed to ensure that if the annuity

is taken earlier then this monetary amount shall be discounted by an amount appropriate to the period between the taking of the annuity and Normal Pension Age

- (v) the excess monies remaining after the application of or the making of provision out of or the retention of monies in the Scheme for the purposes of this Rule shall be returned to the Participating Companies as at the date of termination in proportion as advised by the Actuary having regard to the contributions paid by the Companies and their application under the Scheme or in such other fashion as the Trustees may agree with the Commissioners of Inland Revenue

- (3) The benefits referred to by reference to this sub-Rule shall be firstly the continuance of all pensions in course of payment at the date of determination which expression shall include annuities prospectively payable under the Rules to the spouses and Dependants of such Pensioners and shall also include the pensions due to such Members who have reached Normal Pension Age and their spouses and Dependants and secondly (to the extent that there shall be assets remaining) to secure in respect of each other such Member who is not a Deferred Pensioner entitlement to the benefits which would have become payable had such Member left the Service immediately prior to winding up and in respect of each such Member who is a Deferred Pensioner the benefits to which he or the spouse or Dependants are prospectively or contingently entitled (if any)

- (4) For the purposes of this Rule SPECIAL BENEFICIARY means any Member or Pensioner who is (or was immediately prior to leaving Service) a Controlling Director or special Director as defined in Rule 28

- 51. If an Order shall be made or an effective resolution shall be passed for the winding up of the Principal Company or if the Principal Company and the Trustees shall in any other circumstances by deed determine that this Rule shall apply then the following provisions shall have effect:

- (1) If there shall be any company (in this Rule called the NEW COMPANY) either succeeding to the business of the Principal Company or any of the Subsidiary or Associated Companies or being a company of which or of any of whose associated or subsidiary companies all Members other than Deferred Pensioners are for the time being employees or directors and which is nominated in writing by the Principal Company and Trustees as the New Company the Trustees may hold the assets of the Scheme (if in their discretion they shall think fit to do so) upon Trust to continue administration of the Scheme for the benefit of the persons who at the date of such Order resolution or deed shall be the beneficiaries of the Scheme (whether in respect of benefits accrued or in respect of benefits merely expectant) PROVIDED THAT in such case the New Company shall by execution of a formal instrument assume the responsibilities of the Principal Company in regard to the Trust Deed and PROVIDED FURTHER THAT if the New Company is not already a Participating Company the prior approval of the Commissioners of Inland Revenue shall be required
- (2) If the Scheme is continued in accordance with the terms of (1) above the Principal Company and the New Company may with the approval of the Trustees by supplemental Trust Deed effect such modifications of the Rules as may be necessary to enable the Scheme to be continued in the altered circumstances and subject to any such modifications these Rules including the powers of modification thereof shall continue to apply (mutatis mutandis) to the administration of the Scheme PROVIDED ALWAYS THAT no such modification as aforesaid shall prejudice the benefits accrued or expectant enjoyed by the persons who were the beneficiaries of the Scheme at the date of such Order or resolution
- (3) If upon any such Order being made or any such resolution being passed there shall be no New Company or if it shall be determined not to continue the administration of the Scheme in the manner contemplated by the foregoing parts of this Rule then as from the date of such Order or resolution for the winding up of the Principal Company as aforesaid the

Scheme shall determine and the Trustees shall hold the assets of the Scheme upon Trust to dispose of the same in the manner set out in the last preceding Rule

ALTERATION OF RULES

52. THE Principal Company may at any time and from time to time by instrument under its Common Seal alter or modify all or any of the Rules for the time being in force or make any new Rules to the exclusion of or in addition to all or any of the existing Rules aforesaid and any Rules so made shall be deemed to be Rules of the same validity as if originally embodied herein and shall be subject in like manner to be altered or modified and any alteration modification or addition of or to the Rules which may be effected in exercise of the power contained in this Rule shall be notified to the Members PROVIDED ALWAYS THAT such alteration modification or addition shall not

(a) operate so as to affect prejudicially any pension already in course of payment from the Scheme at the date on which such amendment is to be effective or

(b) permit payment or transfer of any part of the Scheme to the Principal Company or any of the Associated Companies if such payment or transfer would prevent the continued approval of the Scheme under Chapter I Part XIV of the Taxes Act or

(c) create any surplus of assets in the Scheme if such surplus would prevent the continued approval of the Scheme under Chapter I Part XIV of the Taxes Act

AND FURTHER PROVIDED THAT no alteration modification or addition shall be made which has not received prior approval in writing by all the Trustees

EXPENSES

53. The administrative costs and expenses in connection with the Scheme may be borne by the Companies in such proportions between them as the Principal Company shall think fit

ADMINISTRATION OF SCHEME

54. The Scheme shall be managed and administered by the Trustees and a Corporate Trustee may do any act through any one of its Directors or through an officer appointed for that purpose. Any person dealing in good faith with the Trustees shall not be concerned to see whether or not the Trustees have acted within the powers conferred upon them by the Trust Deed or the Rules or otherwise howsoever

LIABILITY OF TRUSTEES

55. Nothing in the Trust Deed or the Rules shall render the Trustees liable personally for any payments to be made thereunder otherwise than out of monies or property in their possession or under their control as Trustees

AUDITORS

56. The Principal Company shall from time to time appoint some person or firm duly qualified for that purpose to be the Auditor or Auditors for the time being of the Scheme and such appointment shall take effect upon such terms as to his or their duties and remuneration as the Principal Company may think proper

ACTUARY

57. The Trustees shall from time to time appoint some person or firm to be the Actuary for the purpose of the Scheme and shall have power to remove the Actuary so appointed should they think fit and any such appointment shall be made on such terms as to remuneration duties and other matters as may be approved by the Principal Company

COMPANIES LIABILITY

58. None of the Companies shall be under any liability whatsoever in connection with the Scheme except as expressly provided in the Rules

ARBITRATION

59. In the case of any dispute or difference arising between any Member Pensioner or annuitant or the personal representatives of a Member Pensioner or annuitant or other person claiming in respect of a Member Pensioner or annuitant or deceased Member Pensioner or annuitant and the Trustees touching the exact meaning or construction of any of the Rules or any rights or liabilities thereunder it shall (so far as the decision or determination of such dispute or difference is not otherwise effectively provided for by the Rules) be referred to arbitration in accordance with the provisions of the Arbitration Act 1950 or any statutory modification or re-enactment thereof for the time being in force

HEADINGS

60. The headings to the Rules are inserted for convenience of reference only and shall not form part of or affect the construction of the Rules

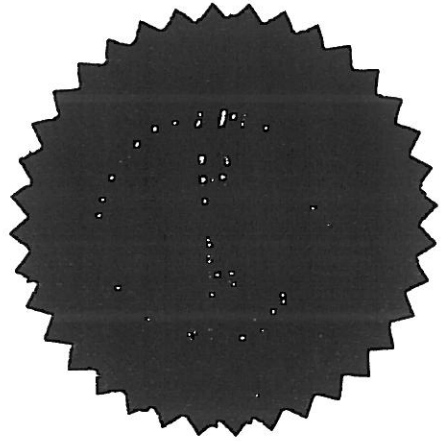
THE COMMON SEAL of
STEPHEN WARD PHOTOGRAPHY
was hereunto affixed in the
presence of:

Director

Shaw

Secretary

S. Ward



SIGNED SEALED AND DELIVERED
by the said STEPHEN WARD
in the presence of:

Shaw

Peter Seale P. Seale
CERTIFIED ACCOUNTANT
1 INDEPENDENT
C/O GIBSON'S
200/315, 11/25 15 13/125

SIGNED SEALED AND DELIVERED
by the said SANDRA WARD
in the presence of:

S. Ward

Peter Seale P. Seale
CERTIFIED ACCOUNTANT
1 INDEPENDENT
C/O GIBSON'S
200/315, 11/25 15 13/125

THE COMMON SEAL of
PENSIONER TRUSTEES LIMITED
was hereunto affixed in the presence of:

Director

W. J. King

Secretary

W. J. King

