

- (v) within or outside the United Kingdom and whether or not involving a liability on the Fund, authorised by law for the investment of trust monies or of a wasting or reversionary nature.

2 Power to Borrow

- 2.1 The Trustees may raise or borrow any moneys upon such terms as they think fit and may secure such moneys by charging all or any part of the Fund provided that at all times the liability of the Trustees shall be limited to the assets of the Scheme. Monies so raised or borrowed shall be applied for all or any of the purposes of the Scheme including without prejudice to the generality thereof in the purchase of any investments hereby authorised. However the Trustees shall not borrow any amount unless the Professional Trustee is satisfied that the arrangement borrowing condition within the meaning of section 182 of FA 2004 is met in respect of that amount.
- 2.2 The Professional Trustee must be a party to all Scheme borrowings unless it has agreed otherwise in writing.

3 Employer-Related Investment

No investment of the Fund may be made in any Employer-Related Investment unless:

- (a) each Member, Deferred Pensioner and Pensioner agrees in writing to the making of that investment;
- (b) Registration shall not be prejudiced; and
- (c) the 1995 Act shall not be contravened.

Subject to this and to clause 1 the Trustees may make investments in any of the Employers. For this purpose, investment includes any dealings in shares, securities, assets or land or the entering into of any loan, guarantee, indemnity or agreement.

4 Investment decision making

Before any investment is made each of the Members, Deferred Pensioners and Pensioners shall agree in writing to the making of that investment unless the Trustees have delegated all or any of their powers of investment pursuant to clause 5.2 of schedule 2.

5 Restrictions on investment

- 5.1 Subject to clause 22 of schedule 2 and without prejudice to clause 23 of schedule 2 the Trustees shall exercise their powers under schedule 3 in a manner which they are satisfied will not result in the Scheme making or being treated as having made an Unauthorised Payment. Without prejudice to the generality of the foregoing, the Trustees will exercise their powers in a manner which they are satisfied will not result in the Scheme making or being treated as having made an Unauthorised Payment pursuant to:

- (a) section 171 of the FA 2004 (scheme administration member payments);
- (b) section 173 of the FA 2004 (use of scheme assets to provide benefits to members and related persons);
- (c) sections 174 and 181 of the FA 2004 (value shifting); or
- (d) section 180 of the FA 2004 (scheme administration employer payments).

5.2 Save in respect of loans to which section 179 of the FA 2004 does not apply by reason of paragraph 38 of schedule 36 of the FA 2004 (transitional provisions), in relation to any loan made to or in respect of a sponsoring employer (within the meaning of section 179 of the FA 2004) the Trustees:

- (a) shall not make the loan unless they are satisfied that the loan will constitute an authorised employer loan within the meaning of section 179 of the FA 2004; and
- (b) shall not agree to any variation in the terms of the loan (or any related change) unless they are satisfied that such variation will not result in an Unauthorised Payment.

5.3 In relation to any loan to which paragraph 38(1) of schedule 36 of the FA 2004 applies (pre-commencement loans to sponsoring employers) the Trustees shall not agree to an alteration in the repayment terms (within the meaning of paragraph 38 of schedule 36 of the FA 2004) unless they are satisfied that any loan which is treated as being made by virtue of paragraph 38(3) of schedule 36 of the FA 2004 will constitute an authorised employer loan within the meaning of section 179 of the FA 2004).

6 Taxable Property held by investment regulated pension schemes

No investment shall be made in Taxable Property without the consent of the Professional Trustee.

Schedule 4

General

1 Notices

- 1.1 For the purposes hereof any notice to any person in receipt of any Pension or entitled to any other benefit under the Scheme 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 fifth day following that on which it is posted.
- 1.2 Any notice to be given to the Secretary including notice of the exercise of any option under the Scheme shall be in writing and addressed to him at the registered office of the Principal Company and delivered there or sent by prepaid post subject to the Trustees' discretion to make such other arrangements as may seem suitable.

2 Place of residence

Every person shall give notice in writing to the Secretary of his place of residence at the time he becomes entitled to a pension or annuity out of the Fund and thereafter shall give immediate notice of any change of residence.

3 Place of payment

Pensions are payable only at the registered 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 recipient concerned.

4 Evidence wanted

Before making or sanctioning any payment out of the Fund the Trustees may require the production of a certificate or such other evidence as they may think fit of the birth marriage continued survival or death of a Member or any other person entitled to benefit from the Scheme or the widow or dependant of any of them or the identity of any person named in a certificate or any other material fact.

5 Error in statement

If any person or the widow or dependant of any of them shall make any mis-statement as to any of the matters referred to in the preceding clauses the Trustees on discovering such mis-statement shall have power acting on the advice of the Actuary to make such arrangements as they shall consider just by way of adjustment or cancellation of any Pension or other money payable out of the Fund and shall have power to sue for repayment of any moneys to which there is no valid entitlement.

6 Actuarial Investigations

Actuarial investigations into the condition of the Scheme and of its Fund shall be made by the Actuary to the extent that the Trustees consider it necessary or

expedient. In the event of the Actuary advising that any alteration to the Definitive Deed or any Rules is desirable then the Trustees in consultation with the Principal Company shall take such steps as they shall consider appropriate to ensure that such alterations or additions shall be made as the Principal Company and Trustees may consider appropriate.

7 Reliance of Actuary

In making any determination or arriving at any opinion which it is necessary for him to make or arrive at for any of the purposes of the Scheme the Actuary may act on such assumptions as he shall in his absolute discretion and having regard to the circumstances of the case think appropriate.

8 Liability of Employers

The Employers shall be under no liability whatsoever in connection with the Scheme except as expressly provided in the Definitive Deed.

9 No restriction on dismissal

Nothing in the Scheme shall fetter the right of an Employer to dismiss any Employee neither shall any Pension or benefit to which a Member or former Member might claim to be entitled under the Scheme be used as a ground for claiming or increasing any damages in any action brought by such Member or former Member against an Employer.

10 Claims only under Definitive Deed

No person whether a Member or a former Member or a person claiming through or under a Member or a former Member shall have any claim right or interest under the Scheme or any claim upon or against the Trustees or an Employer except under or in accordance with the provisions of this Definitive Deed.

11 Inspection of documents

Any person entitled to benefit under the Scheme shall be entitled to inspect a copy of the Definitive Deed and such of the undertakings as the Secretary shall decide are appropriate to him at the registered office of the Principal Company or at such other address as the Trustees may determine.

12 Amendment

Copies of every amendment made under clause 3.2 of schedule 2 shall be sent by the Trustees as soon as practicable after the amendment is made to the Employers and shall be sent to each Member affected by such amendments.

13 Taxation

13.1 Recovery of tax in respect of lifetime allowance charge

The Trustees or the Administrator may recover from present or future benefits or entitlement under the Scheme in respect of a Member or former Member an amount reflecting any liability of the Administrator in respect of the lifetime allowance charge under section 215 of the FA 2004 in respect of that Member or former Member. This does not authorise the reduction of entitlement to a benefit which has not crystallised except that in relation to which the lifetime allowance charge arises. Without prejudice to the generality of the preceding part of this clause 13.1, the methods of recovery of the lifetime allowance charge include reduction of benefits or entitlement determined in accordance with normal actuarial practice.

13.2 Without prejudice to clause 13.1 above the Trustees and / or the Administrator may deduct from any payment under the Scheme or from any relevant Member's Capital Sum or from any part of the Fund not allocated to a Member's Capital Sum any tax or charge for which they may be liable (including any tax or charge for which the Trustees and / or the Administrator may be liable in their / its capacity as Administrator). For the purposes of this clause 13.2 a Member's Capital Sum is a relevant Member's Capital Sum if the tax or charge arises in connection with a Member or former Member to whom the Member's Capital Sum relates or related. If the liability is uncertain or its extent unknown, the Trustees may postpone payment until they are satisfied that the liability does not exist or has been adequately provided for.

13.3 Without prejudice to clause 13.1 or to the generality of clause 13.2, the Trustees may in exercising their powers under this clause 13 make deductions in respect of the following.

- (a) a special lump sum death benefits charge pursuant to section 206 of the FA 2004;
- (b) an authorised surplus payments charge pursuant to section 207 of the FA 2004;
- (c) an unauthorised payments charge pursuant to section 208 of the FA 2004;
- (d) an unauthorised payments surcharge pursuant to section 209 of the FA 2004;
- (e) a lifetime allowance charge pursuant to section 214 of the FA 2004;
- (f) an annual allowance charge pursuant to section 227 of the FA 2004; and
- (g) inheritance tax.

14 Authorised surplus payments

14.1 This clause 14 applies where if a payment was made to an Employer it would constitute an authorised surplus payment within the meaning of section 177 of the FA 2004.

- 14.2 Where this clause 14 applies, such part of the Fund as falls within clause 14.1 may be paid (subject to any tax) to an Employer provided that:
- (a) the requirements of the 1995 Act are met; and
 - (b) the Trustees and all Members have unanimously agreed in writing to the making of such payment and any terms on which it is made.
- 14.3 No return of surplus can be made from the Scheme except to the extent that it is an authorised surplus payment within the meaning of section 177 of the FA 2004.

15 Benefits not Assignable

Except to the extent allowed by the 1993 Act or the 1995 Act and to the extent to which this can be done without the Scheme being treated as having made an Unauthorised Payment pursuant to sections 172 to 174 of the FA 2004 or otherwise the pensions or other benefits payable or to be paid under the Scheme are not assignable and shall cease to be paid or payable if the recipient or prospective recipient becomes bankrupt or attempts to alienate charge or anticipate any benefit or any part of it or does or suffers any act or thing whereby whether by operation of law or otherwise if belonging to the recipient absolutely it would be or become wholly or in part payable to another person. If through the operation of this clause a benefit ceases to be paid or payable the Trustees may in case of hardship apply it or any part of it from time to time for the support and maintenance of the recipient or his spouse or children or remoter issue or any of them provided that in no case shall any payment be made to an assignee or purported assignee provided also that nothing in the Definitive Deed or Rules shall be deemed to prevent any person from effectively bequeathing by will any monies in which he may have a transmissible interest

Schedule 5

Membership

1 Eligibility

A person ("an **Eligible Person**") may be admitted to Membership if he is invited to become a Member by an Employer and the Member Trustees provided that this would not prejudice Registration or the Scheme's status as an occupational pension scheme under FA 2004.

2 Membership and Rules

2.1 Upon an Eligible Person being offered membership of the Scheme a letter with an appendix attached setting out the terms, conditions, contributions (if any) to be made by an Employer and the Eligible Person respectively and benefits to be provided will be drawn up in a form consistent with the requirements of Registration and signed by an authorised signatory of an Employer. Upon acceptance the said letter with the appendix attached will be the Rules applicable to such Member and may be superseded in whole or in part by subsequent letters duly signed and accepted in the manner stated above. The Rules with this Definitive Deed will be binding (although the Rules be not under seal) on the Member, the Employers and the Trustees.

2.2 The Principal Company may notify the Trustees in writing that Membership shall be closed to new entrants and/or withdrawn from current Members (for future service). Such notice given shall take effect immediately or at such future date as may be specified in it.

3 Temporary absence

3.1 Subject to clause 3.3, if a Member is temporarily absent from Service:

- (a) on account of illness or injury; or
- (b) for not more than 2 years with the consent of the Principal Company for any other reason,

his pension rights shall not be affected thereby provided that:

- (i) he continues to pay contributions as specified (if any) in his Rules during his absence unless the Principal Employer decides otherwise;
- (ii) Registration would not be prejudiced; and
- (iii) the Trustees are satisfied that this will not result in the Scheme being treated as having made an Unauthorised Payment.

3.2 If a Member at the end of such absence does not return to Service he shall be deemed to have left Service at the date he ceased to contribute.

3.3 Clause 3 shall not have effect in relation to a Member who is not an Employee.

4 Cessation of membership

4.1 An individual's membership shall cease if:

- (a) the Principal Company or the Trustees decide that he is no longer an Eligible Person; or
- (b) he exercises any right to terminate his Membership (whether under this clause 4 or otherwise).

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

4.3 The Principal Company shall give written notice to the Trustees if any person ceases to be a Member.

5 Employee rejoining Service

If any person who has ceased to be a Member by reason of his having ceased to be in Service subsequently again enters Service in any capacity the Trustees with the consent of the Principal Company may subject to the requirements of clause 6 of this schedule permit such person to resume membership of the Scheme on such terms and conditions in all respects as the Trustees may decide.

6 Evidence of age

Every Member of the Scheme shall provide such evidence of age and family circumstances and changes in circumstances as the Trustees may require.

Schedule 6

Contributions

1 Contributions paid by Employers

- 1.1 Each of the Employers shall pay such annual or other contributions as it may from time to time decide provided always that an Employer may at any time reduce suspend or terminate such contributions on giving notice thereof to the Trustees.
- 1.2 On receiving such notice the Trustees shall notify the Members. The Trustees shall then decide whether to continue to administer the Scheme on such terms as the Actuary advises or whether to wind up the Scheme in accordance with schedule 10.
- 1.3 If so required by section 87 of the 1995 Act, the Trustees shall ensure that a schedule of contributions to the Scheme is put in place. The schedule of contributions shall be prepared, maintained and reviewed as necessary to comply with section 87 of the 1995 Act.
- 1.4 The Trustees may allow a person to make a contribution to the Scheme pursuant to this clause 1 by way of a transfer to the Scheme of an asset or assets in specie. The Trustees shall not accept a contribution by way of a transfer of assets in specie unless they are satisfied:
- (a) that the Scheme's Registration will not thereby be prejudiced; and
 - (b) that such contribution will not result in the Scheme making or being treated as having made an Unauthorised Payment,

but the decision whether to accept a contribution by way of a transfer of an asset or assets in specie shall otherwise be at the Trustees' absolute discretion. The Trustees may impose such conditions as appear to them to be necessary or expedient in connection with the acceptance of such a contribution.

2 Contributions paid by Members

- 2.1 Where the Member's Rules specify, a Member shall contribute at such a rate or of such amount as shall be stated in the Member's Rules.
- 2.2 In addition to the contribution made in clause 2.1 above a Member may with the consent of the Trustees make:
- (a) voluntary contributions to the Scheme to secure additional or increased benefits (irrespective of whether or not the Member's Rules specify that the member shall contribute to the Scheme);
 - (b) contributions in the form of shares where this would constitute a "transfer by the individual of eligible shares in a company within the permitted period" within the meaning of section 195 of the FA 2004, and / or

- (c) contributions by way of a transfer to the Scheme of an asset or assets in specie.

The Trustees shall not accept a contribution by way of a transfer of assets in specie unless they are satisfied:

- (i) that the Scheme's Registration will not thereby be prejudiced; and
- (ii) that such contribution will not result in the Scheme making or being treated as having made an Unauthorised Payment,

but the decision whether to accept a contribution by way of a transfer of an asset or assets in specie shall otherwise be at the Trustees' absolute discretion. The Trustees may impose such conditions as appear to them to be necessary or expedient in connection with the acceptance of such a contribution.

- 2.3 Where a Member is not an Employee, the Trustees may in their absolute discretion accept contributions to that Member's Capital Sum from any other person, provided that no such contributions shall be accepted which may prejudice the Scheme's Registration.

3 Reduction or Suspension

If the contributions of an Employer or a Member are reduced suspended terminated or not paid the benefits shall be adjusted as advised by the Actuary.

Schedule 7

Benefits

1 Designation for purposes of Unsecured Pension Fund

A Member who is aged under 75 may with the agreement of the Trustees designate the whole or such part of his Member's Capital Sum as the Trustees agree is "available for the payment of unsecured pension" within the meaning of paragraph 8 of schedule 28 of the FA 2004.

2 Operation of Scheme so as to maintain right to lower Normal Minimum Pension Age

If the Trustees have so agreed with the Member, the Definitive Deed shall be deemed modified in relation to that Member so as to provide that the Member shall only become entitled to a benefit under the Scheme if the retirement condition set out in paragraph 22(7) of schedule 36 of the FA 2004 is met. The Member may with the agreement of the Trustees subsequently elect not to be dealt with in accordance with this clause 2. Any such agreement shall be irrevocable.

3 Provision of Pension

3.1 At any time from a Member reaching Normal Minimum Pension Age, or from the Ill-health Condition being satisfied in relation to the Member if earlier, but before the Member reaches age 75, the Trustees may apply all or such part as they may determine of the Member's Unsecured Pension Fund for the purpose of providing Income Withdrawal or towards the purchase of a Short-term Annuity.

3.2 At any time after a Member has attained age 75, the Trustees may apply all or such part as they may determine of the Member's Alternatively Secured Pension Fund for the purpose of providing Income Withdrawal.

3.3 At any time from a Member attaining Normal Minimum Pension Age, or the Ill-health Condition being met in respect of the Member if earlier, the Trustees may apply all or such part as they may determine of a Member's Capital Sum towards the provision of a Scheme Pension or the purchase of a Lifetime Annuity.

3.4 Any pension or annuity provided pursuant to this schedule 7 may be provided on such terms (consistent with the other provisions of this schedule 7) as the Trustees in their absolute discretion determine provided that such terms are consistent with compliance with the Pension Conditions. Without prejudice to the generality of this clause 3.4, such terms may include:

- (a) provision for payment of a pension to continue to be made to any person after a Member's death provided that this is on terms consistent with pension rule 2 of the Pension Rules, and / or
- (b) provision for a pension to increase or decrease once in payment (on terms consistent with compliance with the Pension Rules).

- 3.5 Without prejudice to the generality of clause 3.4, any annuity or Scheme Pension may be provided on terms that a pension will be payable to one or more Dependents of the Member in the event of the Member's death subject to compliance with the Pension Conditions and the Pension Death Benefit Rules.
- 3.6 Where a Lifetime Annuity or Scheme Pension is provided for a Member, the Trustees may provide for this to be on terms that an Annuity Protection Lump Sum Death Benefit will be payable in the event of the Member's death before such date as the Trustees may determine provided that such date must be a date falling before the Member's 75th birthday. Any such Annuity Protection Lump Sum Death Benefit shall be payable in accordance with clause 6.12.
- 3.7 If the Member has reached Normal Minimum Pension Age (or the Ill-health Condition is met in respect of him) and the circumstances are such that the FA 2004 permits a Lifetime Allowance Excess Lump Sum to be paid, the Trustees may apply part of the Member's Capital Sum in paying such Lifetime Allowance Excess Lump Sum to the Member.
- 3.8 If the circumstances are such that the FA 2004 permits a Pension Commencement Lump Sum to be paid in connection with the Member becoming entitled to Income Withdrawal, a Lifetime Annuity or a Scheme Pension, the Trustees may upon receipt of a written request from a Member or Deferred Pensioner apply part of the Member's Capital Sum in paying a Pension Commencement Lump Sum to the Member. The amount of such lump sum and the timing of the payment shall be consistent with the Pension Conditions and with such lump sum satisfying the requirements for a Pension Commencement Lump Sum but shall otherwise be at the discretion of the Trustees.
- 3.9 If the Trustees have so agreed with the Member, the Definitive Deed shall be deemed modified in relation to that Member to the extent required to ensure compliance with the pension condition set out in paragraph 31 of schedule 36 of the FA 2004. The Member may with the agreement of the Trustees subsequently elect that the modification referred to in this clause shall not apply. Any such agreement shall be irrevocable.
- 3.10 In relation to the exercise of their powers under schedule 7 the Trustees shall act in accordance with any written instructions received from the Member, but subject to the following conditions:
- (a) the Trustees shall not be obliged to give effect to any instruction if in the Trustees' opinion to do so would cause them to breach the Pension Conditions;
 - (b) the Trustees shall not be required to act in accordance with the Member's instructions if in the Trustees' opinion it is not reasonably practicable to comply with such instructions or if the cost of so doing would, in the reasonable opinion of the Trustees, be wholly disproportionate to the value of the benefits concerned; and

- (c) the Trustees shall be entitled to request from the Member such information and documentation as they may reasonably require to satisfy themselves that acting in accordance with the Member's instructions will not contravene the provisions of this schedule 7, and to delay acting in accordance with such instructions pending receipt of such documentation or information.

However for the avoidance of doubt nothing in this clause 3 (or the Definitive Deed) is to be construed as conferring any right on any person to direct the Trustees in the exercise of their powers and discretions in circumstances where the Trustees hold sums on discretionary trust.

4 Commutation of Pension due to serious ill-health or on grounds of triviality

4.1 If:

- (a) the Administrator has received evidence from a registered medical practitioner that the Member is expected to live for less than one year; and
- (b) the other requirements for payment of a Serious Ill-health Lump Sum in respect of the Member are met

the Trustees may at their discretion apply such part of the Member's Capital Sum as relates to the relevant Arrangement in payment of a Serious Ill-health Lump Sum. Such payment shall extinguish the Member's entitlement to benefits under the Arrangement.

- 4.2 If a Member has reached the age of 60 but has not reached the age of 75 and the circumstances are such that a trivial commutation lump sum within the meaning of paragraph 7 of schedule 29 of FA 2004 may be paid, the Trustees may pay a trivial commutation lump sum to the Member, the payment of which shall extinguish the Member's entitlement to benefits under the Scheme.

5 Life assurance benefit

The Trustees may apply part of the Member's Capital Sum for the purposes of paying a premium for a life assurance policy effected on the life of the Member. Any proceeds of such policy will be dealt with in accordance with clause 6.12.

6 Death of a Member

- 6.1 On the death of a Member, any death benefits payable pursuant to clauses 6.3 and 6.5 shall become payable.

- 6.2 If after applying the provisions of clause 3 in relation to death benefits the Member's Capital Sum includes Relevant Uncrystallised Funds and the Member was under the age of 75 at the date of his death, the Trustees may apply all or part of such Relevant Uncrystallised Funds in the payment of a Relevant Uncrystallised Funds lump sum death benefit within the meaning of paragraph 15 of schedule 29 of the FA 2004. Any such lump sum shall be payable in accordance with clause 6.12.

- 6.3 Where following the death of a Member:

- (a) after the application, where applicable, of clauses 6.3 and 6.12, the Member's Capital Sum comprises (in whole or in part) Relevant Uncrystallised Funds; and
- (b) the Member leaves one or more Dependants

the Trustees shall, subject to clause 6.4, apply such Relevant Uncrystallised Funds in the provision of such one or more Dependants' Scheme Pensions or Dependants' Annuities as the Trustees shall in their absolute discretion determine.

6.4 Where the Member leaves more than one Dependant the proportions in which a Member's Capital Sum is applied for the benefit of the respective Dependants pursuant to clause 6.3 shall be determined by the Trustees at their absolute discretion. Where the Member leaves more than one Dependant and the Trustees are applying funds in accordance with clause 6.3, the Trustees shall not be obliged to apply funds for the benefit of every Dependant. The Trustees shall act in accordance with the Pension Conditions and the pension death benefit rules as set out in section 167 of the FA 2004 in the application of this clause 6.4, but shall otherwise have absolute discretion as to the terms on which any Dependants' Scheme Pensions or Dependants' Annuities are provided pursuant to clause 6.3.

6.5 Where the Member died before reaching age 75 and the other conditions set out in the FA 2004 for payment of a Trivial Commutation Lump Sum Death Benefit are met, the Trustees may at their discretion pay a Trivial Commutation Lump Sum Death Benefit to a Dependant of the relevant Member, the payment of which shall extinguish such Dependant's entitlement under the Scheme to Pension Death Benefit and Lump Sum Death Benefit in respect of the relevant Member.

6.6 Where:

- (a) a Member dies before having reached the age of 75; and
- (b) at the time of the Member's death he was entitled to Income Withdrawal under an Arrangement under the Scheme; and
- (c) the circumstances are such that the FA 2004 permits the payment of an Unsecured Pension Fund Lump Sum Death Benefit

the Trustees may at their discretion apply the whole or part of such amount as represents the Member's Unsecured Pension Fund in respect of the Arrangement immediately before payment is made as an Unsecured Pension Fund Lump Sum Death Benefit payable in accordance with clause 6.12.

6.7 Where:

- (a) following the death of a Member and after the application of clause 6.6 if applicable there exists an Unsecured Pension Fund in respect of a Member; and
- (b) the Member leaves one or more Dependants

the Trustees shall, subject to compliance with the Pension Rules and the Pension Death Benefit Rules apply funds equal to the relevant Unsecured Pension Fund in one or more of the ways specified in clause 6.8.

6.8 The ways specified in this clause are:

- (a) provision of one or more Dependants' Scheme Pensions;
- (b) provision of one or more Dependants' Annuities;
- (c) designation as available for payment of Dependant's Unsecured Pension (if the Dependant has not yet reached the age of 75) or Dependant's Alternatively Secured Pension (if the Dependant is aged 75 or over).

6.9 Subject to compliance with the Pension Conditions and the Pension Death Benefit Rules, the Trustees:

- (a) may apply all or such part as they may determine of a Dependant's Unsecured Pension Fund for the purposes of providing a Dependants' Short-term Annuity or Dependants' Income Withdrawal; and
- (b) may apply all or such part as they may determine of a Dependant's Alternatively Secured Pension Fund for the purpose of providing Dependants' Income Withdrawal.

6.10 Where:

- (a) a Member dies having reached the age of 75 and leaves no Dependants;
- (b) the Member was entitled to Income Withdrawal in respect of an Arrangement under the Scheme at the date of his death; and
- (c) the Member had nominated a charity for the purpose of receiving a Charity Lump Sum Death Benefit

the Trustees may (but shall not be obliged to) pay all or such part of the Member's Alternatively Secured Pension Fund as they in their discretion determine to the charity nominated by the Member (provided that nothing in this clause 6.10 shall oblige or entitle the Trustees to make any payment which is inconsistent with the provisions of the FA 2004 relating to Charity Lump Sum Death Benefits) and no payment may be made under this clause 6.10 without the consent of the Professional Trustee.

6.11 Where:

- (a) a Member dies having reached the age of 75 and leaves no Dependants; and
- (b) the Member was entitled to Income Withdrawal in respect of an Arrangement under the Scheme at the date of his death

the Trustees may (but shall not be obliged to) apply all or such part as they determine of the Member's Alternatively Secured Pension Fund in increasing the Member's Capital Sum of one or more other Members of the Scheme. In the event that the deceased Member nominated one or more Members for the purpose of this clause 6.11, any Transfer Lump Sum Death Benefit may only be applied to the Member's Capital Sum of a Member nominated by the deceased Member. In the event that the deceased Member made no such nomination the Administrator may select which (if any) Members are to have their Members' Capital Sums increased pursuant to this clause 6.11. Nothing in this clause 6.11 shall oblige or entitle the Trustees to apply any funds in a manner which is inconsistent with the provisions of the FA 2004 relating to Transfer Lump Sum Death Benefits.

- 6.12 In respect of benefits expressed to be payable in accordance with this Rule ("**Death Benefit**") any Death Benefit shall be held separately from the rest of the Fund on the Discretionary Trusts.

7 **Death of a Dependant**

7.1 If:

- (a) a Dependant of a deceased Member dies without having attained the age of 75; and
- (b) that Dependant was at the date of the Dependant's death entitled to Income Withdrawal

in respect of an Arrangement relating to a deceased Member

the Trustees shall, subject to compliance with the Lump Sum Death Benefit Rule, pay an amount representing the Dependant's Unsecured Pension Fund as an Unsecured Pension Fund Lump Sum Death Benefit. Such amount shall be dealt with in accordance with clause 6.12.

7.2 If:

- (a) a Dependant of a deceased Member dies aged 75 or over;
- (b) there are no other Dependents of the Member still living;
- (c) the Dependant was at the date of the Dependant's death entitled to Dependents' Income Withdrawal in respect of an Arrangement relating to the deceased Member; and
- (d) the Member or the Dependant had nominated a charity for the purposes of receiving a Charity Lump Sum Death Benefit

the Trustees may (but shall not be obliged to) pay all or such part of the Dependant's Alternatively Secured Pension Fund as they in their discretion determine to the charity nominated by the Member (or if no such nomination was made by the Member the charity nominated by the Dependant) provided that nothing in this Rule 7.2 shall oblige or entitle the Trustees to make any payment which is inconsistent

with the provisions of the FA 2004 relating to Charity Lump Sum Death Benefits and no payment may be made under this clause 7.2 without the consent of the Professional Trustee.

7.3 II:

- (a) a Dependant of a deceased Member dies aged 75 or over;
- (b) there are no other Dependents of the Member still living; and
- (c) the Dependant was, at the date of the Dependant's death, entitled to Dependents' Income Withdrawal in respect of an Arrangement relating to the deceased Member

the Trustees may (but shall not be obliged to) apply all or such part as they determine of the Member's Alternatively Secured Pension Fund in increasing the Member's Capital Sum of one or more other Members of the Scheme. In the event that the deceased Member or Dependant nominated one or more Members for the purposes of this clause 7.3, any Transfer Lump Sum Death Benefit may only be applied to the Member's Capital Sum of a Member nominated by the deceased Member, or by the Dependant if the Dependant made such a nomination but the Member did not. In the event that neither the deceased Member nor the deceased Dependant made such a nomination, the Administrator may select which (if any) Members are to have their Members' Capital Sums increased pursuant to this clause 7.3. Nothing in this clause 7.3 shall oblige or entitle the Trustees to apply any funds in a manner which is inconsistent with the provisions of the FA 2004 relating to Transfer Lump Sum Death Benefits.

8 **Payments to children**

Where under this schedule a pension or lump sum payment ("**Payment**") is payable to any minor the Trustees may in their discretion:

- (a) make Payments to the child's guardian or to any person with whom the child resides or under whose care and control he is or appears to be without being obliged to ascertain whether such guardian or other person has any right to the care and control of the child or to supervise the application of any Payment by such guardian or other person and without being responsible for any mis-application; and / or
- (b) apply Payments towards the education or other benefit of the child in any other way as they may see fit.

9 **Enhanced Protection**

- 9.1 Where a Member opts for Enhanced Protection in relation to the Scheme (and provides such proof of this as the Trustees may require), the Trustees shall have all powers necessary to treat his rights and benefits under the Scheme in a way which preserves that Enhanced Protection. For the avoidance of doubt this includes the

ability to direct that "relevant benefit accrual" shall cease from a specified date and such direction may, to the extent allowed by law, be retrospective.

- 9.2 If a Member who has opted for Enhanced Protection subsequently notifies the Trustees that he no longer wishes to have the benefit of Enhanced Protection (and provides such proof of this as the Trustees may require), the Trustees shall have all powers necessary to disapply the cessation of "relevant benefit accrual" from a specified date and such direction may, to the extent allowed by law, be retrospective.

Schedule 8

Benefits on Leaving Membership

1 Benefits on Leaving Membership

1.1 A person who ceases to be a Member shall, subject to clause 1.2, have benefits provided for him in accordance with clause 3 of schedule 7. References in that schedule 7 to "Member" shall accordingly be construed as references to "Member or former Member".

1.2 Alternatively the Member may:

- (a) request a transfer payment under schedule 9; or
- (b) if the circumstances are such that a Short Service Refund Lump Sum may be paid, the Member may elect to receive a Short Service Refund Lump Sum, the payment of which shall extinguish the Member's entitlement to benefits under the Scheme.

2 Notification to the leaving Member

At the termination of any period of Membership the benefits payable shall be notified to the leaving Member.

3 3 Month Condition

Where the 3 Month Condition is satisfied in relation to any Member the Trustees shall comply with the requirements of chapter 5 of the 1993 Act as inserted by section 264 of the Pension Act 2004. The Trustees shall also have the options available to them under that chapter 5 of the 1993 Act.

Schedule 9

Transfers

1 Individual transfers from the Scheme

- 1.1 A Member or former Member may request in writing a Cash Equivalent Transfer value payment in lieu of his Member's Capital Sum or any benefits from the Scheme if such payment would constitute a Recognised Transfer.
- 1.2 If such a request is made the Trustees shall (subject to clause 1.3 and such payment constituting a Recognised Transfer) pay to the receiving scheme the Cash Equivalent for the Member provided that:
- (a) the transfer is to be made in accordance with any requirements of the 1993 Act, the 1995 Act or the FA 2004 which apply to it;
 - (b) the amount of the Cash Equivalent shall be determined by the Actuary;
 - (c) the Trustees shall where necessary give a certificate to the trustees of the receiving scheme stating:
 - (i) the amount included in the transfer payment that is referable to the Member's contributions;
 - (ii) the periods of employment which are or may become Linked Qualifying Service;
- 1.3 Subject to clause 1.2 (a) any expenses which may be payable by the Trustees in consequence of the transfer may be deducted in arriving at the amount of the transfer.
- 1.4 Whilst a Member remains a director or employee of any Employer the Trustees may decide that no transfer shall be made (other than in respect of benefits relating to Pensionable Service after 5th April 1988).
- 1.5 Provided this is consistent with the statutory provisions relating to Recognised Transfers a Member or former Member may request the Trustees use his Cash Equivalent to purchase for him an annuity policy or contract with an Insurance Company. The purchase price of the policy or contract shall be equal to the Cash Equivalent referred to in clause 1.2.
- 1.6 The Trustees may also allow a Member or former Member to take a partial transfer value payment to a Receiving Scheme provided that:
- (a) the transfer is to be made in accordance with any requirements of the 1993 Act, the 1995 Act or the FA 2004 which apply to it;
 - (b) the transfer is a Recognised Transfer; and
 - (c) the amount of the transfer payment shall be determined by the Actuary

in which case clause 2 shall only apply to such part of the Member's Capital Sum as the Trustees on the advice of the Actuary may determine and clause 2 shall apply as modified accordingly.

2 Termination of Responsibility

Once a transfer has been effected all rights and benefits under the Scheme relating to or in respect of the Member or former Member shall be extinguished. Accordingly, he and all others claiming in respect of him shall have no further interest, benefit or entitlement in or claim in relation to the Scheme in respect of the transferred funds.

3 Transfer received

3.1 The Trustees may accept a transfer payment from the trustees of another Registered Pension Scheme of which a Member was formerly a member (**Transferring Scheme**) and grant Transfer Credits from this Scheme as may be advised by the Actuary as appropriate to the transfer received provided that:

- (a) the Trustees shall where necessary obtain a certificate from the trustees of the Transferring Scheme stating:
 - (i) the amount (if any) which is to be regarded as the Member's Credit and shall treat as Member's Credit to the Scheme for the purposes of any transfers out the equivalent of the amount so certified subject to any restrictions arising through the operation of clause (b) following;
 - (ii) the periods of employment which are or may become Linked Qualifying Service;
- (b) the Trustees may where desired by the Member's previous employer or the trustees of the Transferring Scheme give an undertaking that the Member shall have an indefeasible title to such pension and ancillary benefits as are awarded in recognition of the Transfer Credit received.

3.2 The Trustees may impose such conditions in relation to the acceptance of any transfer as appears to them to be necessary or expedient for the purpose of ensuring compliance with relevant legislation.

4 Transfer out of Scheme assets

Where the Principal Company or any of the Employers establish or have established in the United Kingdom other Registered Pension Schemes in which for any reason any or all Members, Pensioners, Deferred Pensioners or Beneficiaries desire to participate the Trustees on the advice of the Actuary may transfer to such scheme all or any part of the assets of this Scheme provided that such transfer does not:

- (a) prejudice Registration or in the opinion of the Trustees result in the Scheme being treated as having made an *Unauthorised Payment*;
- (b) breach the *Preservation Requirements*; or

(c) contravene the 1993 Act.

5 Transfer in of assets from an existing scheme

Subject to clause 3.2 the Trustees may accept all or any part of the assets of a Registered Pension Scheme ("**the other scheme**") which has been operating for the benefit of the Employees of an Employer or its predecessor in business. Such a transfer may relate to or include Members, Deferred Pensioners and Pensioners.

After acceptance of such a transfer annuities or pensions already in course of payment in the other scheme shall be continued at the same rate and on the same basis from this Scheme unless the Trustees on the advice of the Actuary direct otherwise.

Likewise annuities for Deferred Pensioners shall be preserved at the same amount.

So much of the transfer as relates to Members shall be dealt with under the terms of clause 3 of this schedule.

Schedule 10

Reconstruction and Winding-up

1 Determination of the Scheme

The Scheme shall be wound up and the trusts thereof shall be determined:

- (a) at the expiration of the period stated in clause 16 of schedule 2 unless there shall have been legislation making it lawful for the trusts of the Fund to continue for an indefinite time or in perpetuity;
- (b) on any earlier date on which the Principal Company by notice in writing to the Trustees orders the Scheme to be wound up.

2 Reconstruction or Winding-up of the Principal Company

If an order or effective resolution is passed for the winding up for the purpose of reconstruction of the Principal Company or the Principal Company is absorbed by another corporation the Trustees may make such arrangements as they think fit for the continuance of the Scheme in connection with such reconstructed or amalgamated Principal Company or other corporation and the Definitive Deed shall thereafter take effect in all respects as if such company instead of the Principal Company had been a party to the Definitive Deed and such successor company shall become the Principal Company for the purposes of the Definitive Deed

3 Cessation of Principal Company

If circumstances arise in which there is no Principal Company in relation to the Definitive Deed and the Principal Company has not given notice under clause 1(b) of this schedule for the Scheme to be wound up the Scheme shall be administered by the Trustees for the benefit of the persons entitled to benefits under the Scheme on such terms and conditions as the Actuary advises and for such period as the Trustees may think fit provided such periods shall not offend the law as regards perpetuities and provided that Registration is not prejudiced.

4 Winding-up

- 4.1 If the Scheme is terminated under the provisions of clause 1 or clause 3 of this schedule the assets comprising the Fund shall be applied (except where expressly provided otherwise) so far as they permit so that each Member's Capital Sum will be used to secure Pensions through the purchase from an Insurance Company of non-commutable (except insofar as provided under the Scheme) non-assignable annuities in accordance with the Definitive Deed and any requirements for Registered Pension Schemes. Where the Trustees have prior to the Scheme being terminated already purchased an annuity in the name of the Trustees, that annuity may be transferred into the name of the relevant Beneficiary. Any such Pension shall be paid as a Scheme Pension or a Lifetime Annuity, save that a Short-term Annuity purchased in the name of the Trustees prior to the Scheme being terminated may be transferred into the name of the relevant Beneficiary.

- 4.2 Where permissible under the FA 2004, a Serious Ill-health Lump Sum may be paid, in which case no Pension will be payable in respect of the arrangement to which the Serious Ill health Lump Sum relates.
- 4.3 Where permissible under the FA 2004, the Trustees may pay a Trivial commutation lump sum, within the meaning of paragraph 7 of schedule 29 of the FA 2004, or a Trivial Commutation Lump Sum Death Benefit, in which case payment of such lump sum will extinguish the entitlement to benefits under the Scheme of the former Member or former Member's dependant in respect of whom it is paid.
- 4.4 Where permissible under the FA 2004, the Trustees may pay a Winding-up Lump Sum or a Winding-up Lump Sum Death Benefit in which case payment of such lump sum will, in the case of a Winding-up Lump Sum extinguish the former Member's entitlement to benefits under the Scheme, and in the case of a Winding up Lump Sum Death Benefit, extinguish the dependant's entitlement under the Scheme to Pension Death Benefit and Lump Sum Death Benefit in respect of the former Member.
- 4.5 Where permissible under the FA 2004, the Trustees may pay a Short Service Refund Lump Sum, in which case payment of such lump sum will extinguish the former Member's entitlement to benefits under the Scheme.
- 4.6 Where permissible under the FA 2004, such part of a former Member's Capital Sum as the Trustees determine may be applied to provide a Pension Commencement Lump Sum.
- 4.7 Where permissible under the FA 2004, the Trustees may pay a Refund of Excess Contributions Lump Sum to a former Member.
- 4.8 Where permissible under the FA 2004, the Trustees may pay a Lifetime Allowance Excess Lump Sum to a former Member.
- 4.9 To the extent permissible under the FA 2004 and those provisions of the Definitive Deed dealing with Lump Sum Death Benefits, the Trustees may pay Lump Sum Death Benefits.
- 4.10 The Trustees may at their discretion secure benefits for different categories of members or Beneficiaries by different means. They may also secure benefits by different means for individuals who are in the same category
- 4.11 The determination of the Trustees or the Member Trustees (as appropriate) as regards the allocation and application of the Fund or any part of it (which for the avoidance of doubt includes Members' Capital Sums) shall be absolute and final and every Beneficiary shall accept whatever may be paid or secured to/for or in respect of him from the Scheme as aforesaid in full discharge of all claims in respect of the Fund or the Scheme and to the extent permitted by law shall have no further claim in respect of any rights to any benefits under or from the Scheme or otherwise
- 4.12 At the request of a Member or former Member the Trustees may effect a transfer out under schedule 9 upon such terms as they consider appropriate.

- 4.13 The Trustees may arrange for any Member or former Member to participate in a receiving scheme in accordance with clause 4 of schedule 9. The transfer may include all or any part of an unallocated surplus within the Scheme provided this would not result in the Scheme being treated as having made an Unauthorised Payment.
- 4.14 Benefits and Pensions may be secured by the purchase of such policies or other contracts or investments as may be permitted by law provided that Registration is not thereby prejudiced and provided that the Trustees are satisfied that the Scheme will not thereby be treated as having made an Unauthorised Payment.

Such policies, contracts or other investments may include options as follows:

- (a) for pension to commence at any age at which pension could have been taken in accordance with the Definitive Deed;
- (b) for exchange of pension for cash, including, where applicable a Serious Ill-health Lump Sum in accordance with the Definitive Deed;

provided that such benefits shall be purchased only to the extent that they are consistent with Registration and the Trustees are satisfied that they will not result in an Unauthorised Payment being made or treated as having been made and that such policies, contracts or other investments shall be endorsed to show that the benefits thereunder are not capable of assignment.

5 Withdrawal of an Employer

If and whenever:

- (a) an Employer ceases to be an associated or subsidiary company of the Principal Company (otherwise than for the purposes of reconstruction or amalgamation); or
- (b) an Employer gives notice to terminate its liability; or
- (c) the continued participation in the Scheme of an Employer would prejudice the Scheme's Registration

the Trustees will set apart out of the Fund investments and cash of such amount as the Actuary advises to be that part of the Fund applicable to those Members then in the Service of that Employer or if the Trustees so decide to those Members then in the Service of that Employer together with Pensioners and Deferred Pensioners formerly in the Service of that Employer or its predecessors in business and Beneficiaries whose title to benefits derives from such Members Pensioners and Deferred Pensioners.

The investments and cash so set apart shall at the option of the Trustees subject to the provisions of this Definitive Deed and subject also to payment of costs charges and expenses properly payable thereout;

- (i) be transferred to the trustees and upon the trusts of any Registered Pension Scheme; or
- (ii) be applied in like manner as stated in clause 4 of this schedule.

The Trustees shall have a period of two years in which to carry through such arrangements as may be determined under this clause.

6 Loss of Principal Company's Powers

If the Principal Company enters into liquidation or receivership or if the Trustees certify that in their opinion there has been a significant change in control of the Principal Company then all the powers and discretions of the Principal Company in respect of the Scheme and in particular the power of appointment and removing Trustees will immediately and automatically vest in the Trustees and the Principal Company's consent will no longer be required for any purpose in relation to the Scheme.

Schedule 11

Pension sharing on divorce

1 Definitions

For the purposes of this schedule 11:

1999 Act means the Welfare Reform and Pensions Act 1999

Ex-Spouse means an individual in respect of whom a Pension Sharing Order, agreement or equivalent provision has been made.

Member means someone in membership of the Scheme

Negative Deferred Pension means the amount by which the Member's pension or deferred pension under the Scheme is reduced at the Relevant Date by section 31 of the 1999 Act or under corresponding Northern Ireland legislation, following a Pension Sharing Order, agreement or equivalent provision.

Pension Credit means a credit under section 29(1)(b) of the 1999 Act or under corresponding Northern Ireland legislation.

Pension Credit Rights means rights to future benefits under a scheme which are attributable (directly or indirectly) to a Pension Credit.

Pension Debit means a debit under section 29(1)(a) of the 1999 Act or under corresponding Northern Ireland legislation.

Pension Debit Member means a Member whose benefits have been permanently reduced by a Pension Debit.

Pension Sharing Order means any order or provision as is mentioned in section 28(1) of the 1999 Act or Article 25(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999.

Pension Sharing Rules means the provisions of this schedule 11.

2 Assignment

Clause 15 of schedule 4 shall not prevent the assignment of part or all of the Member's retirement benefits or rights to benefits under the Scheme to his/her Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision.

3 Disclosure to receiving schemes

The Trustees must give full details of the Pension Debit and any related information to the extent required by legislation, to the receiving scheme/arrangement where the

fund underlying the benefits for a Pension Debit Member is transferred to another Registered Pension Scheme.

4 Transfers in of Pension Debits

Where the Trustees accept a transfer payment and are informed by the transferor of the details of a Pension Debit relating to the transfer payment, the Trustees must take account of the Pension Debit to the extent required by law in the calculation of benefits for that Member. If a transfer of the fund underlying the benefits for the Member is made to a Registered Pension Scheme the Trustees must give full details of the Pension Debit to the receiving scheme/arrangement.

5 Death of an ex-spouse after a Pension Sharing Order is made but not implemented

If the Ex-Spouse dies after a Pension Sharing Order, agreement or equivalent provision is made but before it is acted upon by the Trustees, the following benefits may be paid at the absolute discretion of the Trustees with the consent of the Principal Company:

- (a) a lump sum death benefit may be paid to any person in accordance with the discretionary trust provisions of clause 6.12 of schedule 8, to the extent that this can be done without the Scheme making an Unauthorised Payment;
- (b) the balance of the Cash Equivalent of the fund which would have provided the Pension Credit Rights for the Ex-Spouse may be used to provide a pension to a Dependant of the Ex-Spouse – subject to compliance with the Pension Death Benefit Rules;
- (c) such pensions must be payable in accordance with the Pension Death Benefit Rules. Such pensions may be commuted, however, to the extent permitted by the Lump Sum Death Benefit Rule.

6 Provision for the Trustees to charge

The Trustees may charge for:

- (a) providing any information to anyone that relates directly or indirectly to the Scheme and to divorce or nullity proceedings; and
- (b) implementing Pension Sharing Orders and earmarking orders; and
- (c) and in which either case:
 - (i) is allowed by the Pensions on Divorce etc (Charging) Regulations 2000; or
 - (ii) is not prohibited by law.

7 Pension Credits – Mode of Discharge

Subject to Pension Sharing Rules 8 and 9 the Trustees may discharge their liability in respect of a Pension Credit in any manner authorised by the 1999 Act, and related regulations, and the manner in which they discharge their liability shall, subject to overriding statutory requirements, be at their absolute discretion. The Trustees shall have such ancillary powers as may be necessary to enable them to discharge their liability in respect of a Pension Credit in the manner provided for by either paragraph 1(2) or paragraph 1(3) of schedule 5 of the 1999 Act and may exercise such powers (including the power to select a qualifying arrangement pursuant to paragraph 1(3) of schedule 5 of the 1999 Act) without the consent of the person entitled to the Pension Credit to the extent permitted by legislation.

8 No Pension Credit Membership

The Trustees shall not discharge their liability in respect of a Pension Credit by granting Pension Credit Rights under the Scheme.

9 Compliance with FA 2004

In implementing the Pension Sharing Rules, the Trustees shall act in a manner which is consistent with maintaining the Scheme's Registration and which they are satisfied will not result in the Scheme being treated as having made an Unauthorised Payment.