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THIS DEFINITIVE TRUST DEED is made the 27 day of February Two Thousand and Four **BETWEEN** **UNIVERSAL ENERGY LTD** having its Registered Office situate at Phoenix House Desborough Park Road High Wycombe HP12 3PQ (hereinafter called "**the Principal Company**") of the first part and **JAMES HAY PENSION TRUSTEES LIMITED** having its Registered Office situate at Rowanmoor House 46-50 Castle Street Salisbury Wiltshire SP1 3TS and **GRAHAM GERRED** of 17 Prestwood Way Aylesbury HP19 8GY **DAVID COATES** of 4 Croft Close Merton Bicester Oxon OX25 2NQ **SALLY MALTHOUSE** of Malt House Flat 2 Manor House Hambleden **MICHAEL HOLLAND** and **SUSAN HOLLAND** both of The Old Rectory Emmington Chinnor OX39 4AA **SIMON BEST** of 4 Darleys Close Grendon Underwood Aylesbury HP18 0SE **ALLAN BEDFORD** of 47 Newham Green Crowmarsh Gifford Wallingford OX10 8EP **DANIEL WILLIAMS** of 19 Bedford Road St Albans AL1 3DH **KEVIN BOYLE** of 47 Silvester Place Hyde Street Winchester SO23 7FT **PHILLIP HOLLAND** of 56C Heckmondwyre Road Dewesbury WF13 3PH and **JEAN WITTE** of 146 New Road Booker High Wycombe HP12 4LA (hereinafter called "**the Trustees**") of the second part

WHEREAS

1. The Principal Company wishes to establish a Retirement Benefits and Assurance Scheme (hereinafter called "**the Scheme**") to be known as **UNIVERSAL GROUP EXECUTIVE PENSION FUND** with effect from the date hereof to provide pensions on retirement and other relevant benefits as defined in section 612(1) of the Taxes Act for such employees as may be invited to become Members of the Scheme by the Principal Company and are employees of the Principal Company or any Associated Companies as may formally participate in the Scheme (such participation being acceptable to the Inland Revenue) in accordance with the Rules of the Scheme whether by execution of this Deed or execution of a Deed of Adherence at some later date than the date hereof (the Principal Company and any such Associated Companies are hereinafter called collectively "**the Companies**")
2. This Deed is the Definitive Trust Deed establishing the Scheme and is to be read and construed in conjunction with the Rules of the Scheme (hereinafter called "**the Rules**") and the Summary applicable to the Scheme (hereinafter called "**the Summary**") and Appendices (hereinafter called "**Appendices**") which Rules and Summary and Appendices are annexed hereto
3. The Principal Company has requested the Trustees to act as Trustees of the Scheme and the Trustees by execution of this Deed have consented so to act

NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED AND DECLARED

that the Scheme shall be administered in accordance with the Rules and the Summary annexed hereto as follows:

1. The Principal Company hereby appoints the Trustees to be the first Trustees of the Scheme
2. The Trustees shall act as the present Administrator of the Scheme
3. The expressions specified herein shall have the respective meanings assigned to them by this Deed and the Rules annexed hereto and any words denoting the masculine gender shall be construed as to include the feminine gender

4. The Scheme will be constituted and maintained by contributions made by the Companies and by such contributions payable by the Members under the Rules and by such contributions as may be paid voluntarily by the Members under the Rules and by income arising on and capital accretions to the Assets of the Scheme
5. It is a condition of Approval that no loan or loans either with or without interest may be made by the Trustees to the Members (or any one or more of them) or former Members or any other person or persons having a contingent interest under the Scheme and notwithstanding the Trustees powers under the Rules the Trustees have no power to lend monies forming part of the Scheme to a Member or former Member or any other person having a contingent interest under the Scheme
6. The benefits available to a Member under the Scheme are personal to the Member and his Dependants and cannot be assigned or charged
7. The irrevocable trusts constituted by this Deed shall cease and determine at that date on which the winding up of the Scheme shall be complete
8. All benefits arising from membership of the Scheme will be secured by the Trustees by means of assurance policies or annuity contracts with an Insurer
9. The power of appointment and removal of Trustees shall be vested in the Principal Company which power shall be exercised by Deed
10. Any Trustee including the Pensioner Trustee shall have the power to resign from the office of Trustee by giving one month's written notice to the Principal Company and they shall execute such documents and take any necessary steps to vest the Scheme and its assets in the continuing Trustees
11. In the event of the removal resignation or death of any Trustee the continuing Trustees shall not take any action relating to the termination or partial determination of the Scheme in accordance with the provisions of this Definitive Trust Deed and the Rules annexed hereto until either the Principal Company has exercised its power of appointment in appointing a new Trustee which appointment has been approved by the Inland Revenue or the Inland Revenue have indicated in writing to the continuing Trustees that they do not require the appointment of a new Trustee. Always provided that the Trustees shall include a Trustee who is recognised by the Inland Revenue as a Pensioner Trustee
12. The discretions vested in the Trustees by this Deed or by the general law or statute shall be absolute and unfettered and the Trustees shall not be obliged to give any person any reason or justification for any exercise of such discretion
13. The Principal Company may from time to time and without the concurrence of the Members instruct or authorise the Trustees to alter modify or add to the terms and provisions of this Deed the Rules and the Summary annexed hereto. The Trustees shall forthwith by Deed or Resolution declare such addition modification or alteration under their hands and seals and the Deed Rules or Summary shall stand amended accordingly from the date of such declaration **PROVIDED THAT** no alteration modification or addition shall:
 - a) prejudicially affect the preservation of benefits in accordance with the provisions of the Pension Schemes Act 1993
 - b) operate so as to prejudicially affect or diminish the rights of Members or former Members unless such diminution is necessary to obtain or maintain Approval or is approved in writing by the Member or former Member

- c) cause any monies to be paid or transferred or have the effect of permitting monies to be paid or transferred to the Principal Company or the Companies except insofar as the monies are a surplus remaining after the termination of the Scheme or where such payments or transfers would not cause loss of approval and are not inconsistent with the irrevocability of the trusts hereby declared

AND THAT:

In the event of the Principal Company entering into liquidation the Trustees may assume the powers of the Principal Company as specified in the Rules annexed hereto and the Trustees may execute any such deed without the consent or authority of the Principal Company

14. The Principal Company and the Trustees confirm that the Scheme will be operated as an exempt approved scheme for the purposes of the Taxes Act and that no payments from the Scheme or transfers of any of the assets of the Scheme will be made to the Principal Company or the Companies without the approval of the Inland Revenue
15. Any Trustee being a person engaged in a profession or business shall be entitled to charge and to be paid all the usual professional and other charges for work done by him or his firm or limited company (as the case may be) or by any associated or subsidiary company of a limited company being a Trustee of the Scheme including work which a Trustee not being in any profession or business could have done personally and to receive commission for business transacted Any other Trustee who is not a full time employee of the Companies shall also be entitled to charge and be paid such remuneration for his services as may be agreed between him and the Principal Company
16. This Definitive Deed the Rules the Summary and Appendix 1 annexed hereto are to be read and construed in accordance with the laws of England and references throughout to an Act shall include that Act or any statutory modification thereof
17. The Rules and provisions contained in Appendix 1 annexed hereto shall be applied in respect of transactions occurring on or after the 5th August 1991 and definitions and expressions contained in the said Appendix 1 only refer to the Rules and Provisions contained therein

IN WITNESS WHEREOF the parties hereto have executed these presents as a Deed
the day and year first before written

EXECUTED AS A DEED by
UNIVERSAL ENERGY LTD LIMITED
by

X M H

M H

)
)
)
)
)
Director

X J W

J W

)
)
)
)
)
Secretary

THE COMMON SEAL of
**JAMES HAY PENSION
TRUSTEES LIMITED**
was hereunto affixed
in the presence of:

)
)
)
)
)
Authorized Sealing Officer

[Signature]
Authorized Sealing Officer

Signed as a Deed
by the said
GRAHAM GERRED
in the presence of:

Witness:

[Signature]

Address: *59 Heath St*

97. Millers Way

Swiss Hill 604C

Occupation:

(FA)

Signed as a Deed
by the said
DAVID COATES
in the presence of:

Witness:

[Signature]

Address: *59 Heath St*

97. Millers Way

Swiss Hill 604C

Occupation:

(FA)



)
)
)
)
)
[Signature]

)
)
)
)
)
X D Coates

Signed as a Deed
by the said
SALLY MALTHOUSE
in the presence of:

) x S. A. Malthouse

Witness:



Address: 59 Heath St

Q.T. MULLAND

Occupation:

Quaker Hospital

IFA

Signed as a Deed
by the said
MICHAEL HOLLAND
in the presence of:

) x M. H.

Witness:



Address:

59 Heath St

Q.T. MULLAND

Occupation:

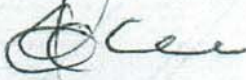
Quaker Hospital

IFA

Signed as a Deed
by the said
SUSAN HOLLAND
in the presence of:

) x S. M. Holland

Witness:



Address:

59 Heath St

Q.T. MULLAND

Occupation:

Quaker Hospital

IFA

Signed as a Deed
by the said
SIMON BEST
in the presence of:

Witness:

Address:

Occupation:

Signed as a Deed
by the said
ALLAN BEDFORD
in the presence of:

Witness:

Address:


Occupation:

Signed as a Deed
by the said
DANIEL WILLIAMS
in the presence of:

Witness:

Address:

Occupation:

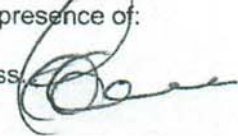
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59 Heath St
C.T. Missenden
Bucks HP16 0AL

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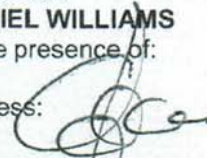
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59 Heath St
C.T. Missenden
Bucks HP16 0AL

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59 Heath St
C.T. Missenden
Bucks HP16 0AL

IFA

2 Kevin Gell

SS. 

A.T.M. S.S. M.S.W

Occupation:

15A

2. *Paul*

ness: 

CT-Messung

Occupation:

1 FA

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)
)
)

d. h. [Signature]



Q.T. Missed

Occupation:

1 FA

SUMMARY

1. Name of Scheme: Universal Group Executive Pension Fund
2. Date of Commencement: 27 February 2004
3. Normal Retirement Date: 60
4. Members' Contributions: Nil
5. Scheme Anniversary Date: 28 February

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Definitions

Accumulated Credit means an amount comprising contributions paid into the Scheme by the Companies and by the Member, any transfer amounts or any other amounts as may be paid into the Scheme either by or for the Member and such share of investment receipts net of expenses and capital accretions as the Trustees shall determine at their discretion less any payments made on behalf of or to the Member. Provided that all Assets remain assets of a common trust fund against which the rights of each Member lie.

Actuary means a Fellow of the Institute or Faculty of Actuaries or a firm of such fellows or a corporate body having a director or employee who is such a Fellow.

Administrator means any person or body appointed by the Trustees to meet the requirements of the Inland Revenue under the terms of section 612(1) of the Taxes Act.

Aggregate Retirement Benefit shall mean the aggregate of

- a. the Member's pension under this Scheme and under any Associated Scheme, and
- b. The pension equivalent of the Member's Lump Sum Retirement Benefit.

Approval means approval of the Scheme by the Inland Revenue and treatment as an exempt approved scheme under Chapter I Part XIV of the Taxes Act.

Assets means the various assets held by the Trustees for the purposes of the Scheme from time to time.

Associated Company means any corporate body or firm or organisation which is associated in business with or directly or indirectly controlled by the Principal Company (such association being certified by the Principal Company and acceptable to the Inland Revenue) which shall have entered into this Deed or entered into a Deed of Adherence supplemental to this Deed whereby it covenants with the Trustees to be bound by the provisions of the Scheme from the date of commencement or from the date specified in the Deed of Adherence respectively provided that the participation shall not prejudice Approval or continued Approval.

Associated Employment means two or more concurrent employments held by the Member which are associated ie where:

- a. there is a period during which the Member has held all of them,
- b. the period counts under the Scheme in the case of all of them as a period in respect of which benefits are payable,
- c. during the period all the employers in question are associated.

Associated Scheme means either a. or b. below as appropriate:

- a. in respect of a Class A Member any Relevant Scheme which is a Connected Scheme or which provides benefits in respect of Service,
- b. in respect of a Class B Member any Relevant Scheme providing benefits in respect of Service.

Auditor means a Member of The Institute of Chartered Accountants in England and Wales or The Institute of Chartered Accountants in Scotland or the Association of Certified and Corporate Accountants or a firm whose partners are Members of one or more of the said bodies.

Class A Member shall mean any Member who is not a Class B or Class C Member.

Class B Member shall mean any Member

- a. who, on or after 17th March 1987 and before 1st June 1989 joined the Scheme being a Scheme which commenced before 14th March 1989, or
- b. who the Board of Inland Revenue have agreed in writing to be a Class B Member by virtue of previous membership of a Relevant Scheme

and, in either case, has not opted to become a Class A Member.

Class C Member shall mean any Member who joined the Scheme before 17th March 1987 or who joined subsequently and who the Board of Inland Revenue have agreed in writing to be a Class C Member by virtue of previous membership of a Relevant Scheme and, in either case, has not opted to become a Class A Member.

Commencement Date means that date specified in the Summary annexed hereto.

Companies means in relation to participation in the Scheme collectively the Principal Company and any Associated Companies participating in the Scheme. Where the Principal Company is the only company participating in the Scheme then Companies should be read as the singular. In relation to a person it means the one or more Companies by which the person is for the time being employed which are regarded separately in relation to benefits and contributions arising from employment with that company.

Connected Scheme means any Relevant Scheme which is connected with the Scheme in relation to the Member, ie if:

- a. there is a period during which the Member has been the employee of two associated employers,
- b. that period counts under both schemes as a period in respect of which benefits are payable,
- c. the period counts under one scheme for service with one employer and under the other for service with the other employer.

For the purposes of the Definitions of Associated Employment and Connected Scheme above employers are associated if one is controlled by the other, or both are controlled by a third party. Control has the meaning in section 840 of the Taxes Act, or in the case of a close company, section 416 of the Taxes Act.

Dependant means the Widow or Widower of the Member and any person who is financially dependent on the Member or was so dependent at the time of the Member's death or retirement.

Dependant's Pension Date means in relation to a Member who dies whilst in Service either before or after Normal Retirement Date the date of his death and in relation to any other Member the date one calendar month after the due date of the last instalment of any pension which is payable to him under these Rules or would have become payable to him.

Entry Date means the date on which an employee of any of the Companies became a Member of the Scheme.

Final Remuneration shall mean the greater of:

- a. the highest remuneration upon which tax liability has been determined for any one of the five years preceding the Relevant Date being the aggregate of:
 - (i) the basic pay for the year in question, and
 - (ii) the yearly average over three or more consecutive years ending with the expiry of the corresponding basic pay year, of any Fluctuating Emoluments provided that the Fluctuating Emoluments of a year other than the basic pay year may be increased in proportion to the increase in the Index from the last day of that year up to the last day of the basic pay year.

Remuneration that is received after the Relevant Date and upon which tax liability has been determined will be treated as a Fluctuating Emolument (providing it was earned or qualified for prior to the Relevant Date). In these circumstances it may be included providing the yearly average of three or more consecutive years begins no later than the commencement of the basic pay year; or

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

PROVIDED THAT-

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

Appendix 1 (1998)

1. Notwithstanding anything to the contrary in the Scheme provisions the following Rules 2 to 8 shall have full effect except that they may not be construed as conferring powers on the Trustees which they do not otherwise have by virtue of the Trust Deed and Rules.

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

(a) **Business** includes:

- (i) a trade or profession, or
- (ii) any activity other than investment carried on by a body of persons, whether corporate or unincorporate, or
- (iii) any activity carried on by a holding company for a trading group.

(b) **Close Company** has the meaning given by sections 414 and 415 of the Taxes Act.

(c) **Company** means any body corporate or unincorporated association, but does not include a partnership.

(d) **Control** in relation to a body corporate (other than a Close Company) or partnership shall be construed in accordance with section 840 of the Taxes Act and in relation to an unincorporated association that section shall be applied as it applies to a body corporate.

In relation to a close company control shall be construed in accordance with section 416 of the Taxes Act.

(e) **Employer** means an employer participating in the Scheme.

(f) **Ordinary Annual Contribution** means for the purpose of Rule 2 the smaller of:

(i) the amount found

(A) where the scheme has been established for three years or more at the time of any borrowing, by dividing the amount of the contributions paid by Employers in the period of three years which ended at the end of the previous accounting period of the Scheme by three, or

Remuneration means in relation to any year shall mean the aggregate of the total emoluments for the year in question from the Employer and which are assessable to Income Tax under Schedule E but excluding any amounts which arise from the acquisition or disposal of shares or any interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of Section 148 of the Act. Provided that for a Class A Member there shall be disregarded any emoluments in excess of the permitted maximum.

Scheme means the Pension and Life Assurance Scheme established by the Definitive Trust Deed.

Scheme Anniversary Date means the date as specified in the Summary.

Service means:

- a. In respect of a Class A Member the aggregate of
 - (i) all periods of service with the Principal Company and
 - (ii) all other periods which count in respect of any Associated Employment or any Connected Scheme.

EXCEPT THAT -

For a Class A Member who is or has been a Special Director, no period of service may be included which is service for an employer who is associated with the Employer by virtue of a permanent community of interest rather than because one employer is controlled by the other or both are controlled by a third party. Where both such employers are participating in the Scheme separate calculations of maximum benefits are required in respect of the separate periods of service. Control has the meaning in section 840 of the Taxes Act or, in the case of a close company, section 416 of the Taxes Act.

- b. In respect of a Class B Member or a Class C Member service with the Companies. Where a Member has service with more than one company each shall be regarded separately in relation to benefits and contributions arising therefrom.

Special Director means a Member who at any time within the last ten years before the Relevant Date has, in relation to the Companies, been both within the definition of a director in section 612(1) of the Taxes Act and within paragraph (b) of section 417(5) of the Taxes Act.

Target Pension means for each Member a Pension of two thirds of the Member's Final Remuneration or such other amount as is consistent with Approval.

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

Trustees means the Trustees or Trustee for the time being of the Scheme.

Trust Deed means the Definitive Trust Deed and Rules and all Deeds supplemental thereto.

Voluntary Contributions means those voluntary contributions made by a Member under Rule 3.

2. **Inland Revenue Limits**

- a. Class A Member

Notwithstanding anything to the contrary in these Rules, the benefits payable to a Class A Member, his Dependents or other beneficiaries in respect of him shall not, when aggregated with all benefits of a like nature provided under all

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) four times Final Remuneration but excluding proviso (B) of that Definition less

- 1) any lump sum (other than a refund of his own contributions and any interest thereon) payable on the death of the Member under all Relevant Schemes in respect of service with previous employers, and
- 2) any lump sum life assurance benefit payable on the death of the Member under a retirement annuity contract or trust scheme approved under Chapter III Part XIV of the Taxes Act or a Personal Pension Scheme

if the aggregate of such lump sums exceeds £2,500.

4. **Any pension for a Dependant**, when aggregated with the pensions other than those provided by surrender of the Member's own pension, payable to that Dependant 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 Rule 17), or
- b) being a deferred benefit payable to the Member at any time between attaining age 50 and attaining age 75, or
- c) prospectively payable to the Member who dies in Service had he remained in Service up to the Normal Retirement Date at the rate of pay in force immediately before his death, or
- d) prospectively payable to the Member who dies in Service after Normal Retirement Date on the basis that he had retired on the day before he died,

or such greater amount as will not prejudice Approval.

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents pensions payable in respect of him under this and all Associated Schemes 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.

5. The maximum amount of pension ascertained in accordance with this Rule less any pension which has been surrendered to provide a Dependant's pension may be increased by 3% for each complete year since the date that the pension commenced to be paid or, if greater, in proportion to the increase in the Index that has occurred since that date.

The maximum amount of pension which may be increased in proportion to increases in the Index may not notionally include any amount of pension which has been commuted for a lump sum.

6. The preceding provisions of this Rule shall be modified in their application to a Member who is or has been a Special Director as follows:

the amount of the maximum Aggregate Retirement Benefit in paragraph 1 and of the maximum Lump Sum Retirement Benefit in paragraph 2 shall be reduced, where necessary for Approval, so as to take account of any corresponding benefits under either a retirement annuity contract or trust scheme approved under Chapter III Part XIV of the Taxes Act or a Personal Pension Scheme, unless such benefits are secured in respect of service with the Employer or an associated employer in which case they are treated as aggregable benefits.

b) **Voluntary Contributions**

A Member may from time to time and at any time make Voluntary Contributions to the Scheme in accordance with arrangements made by the Trustees and subject to the following terms;

- i) all money and other assets attributable to such Voluntary Contributions shall be at all times separately identifiable from the other Assets;
- ii) Voluntary Contributions made by a Member shall secure for, or in respect of, that Member increased or additional benefits under the Scheme as laid down by the Trustees;
- iii) the benefits secured by such Voluntary Contributions shall be in the form of non-commutable pension except to the extent that these Rules allow for the commutation of trivial pensions or on the grounds of serious ill-health;
- iv) if the Member leaves Service before the Normal Retirement Date the Trustees shall ensure that the requirements of section 63 of the Social Security Act, 1973, are complied with in respect of such increased benefits.

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

- c) A Class B or Class C Member's contribution to the Scheme, when aggregated with any contributions to any Relevant Scheme providing benefits in respect of Service, shall not in any tax year exceed 15% of the Member's Remuneration from the Companies in respect of each employment for that year.
- d) A Class A Member's contribution to the Scheme, when aggregated with any contributions to any Associated Scheme, shall not in any tax year exceed 15% of the Member's Remuneration in respect of that Service.

PROVIDED THAT -

- i) this Rule, notwithstanding anything in it to the contrary, shall be subject to the provisions of Part III Schedule 6, Finance Act, 1989, concerning the return of surplus funds, and
- ii) where the Aggregate Retirement Benefit is restricted in accordance with the limits laid down in Rule 2) and the Member has paid additional voluntary contributions to supplement Scheme benefits that restriction shall first be effected on those supplementary benefits so as to permit the repayment of the surplus additional voluntary contributions subject to section 599A of the Taxes Act.

4. **Companies' Contributions**

- a) The Companies shall make such contributions to the Scheme as the Companies and the Trustees in consultation with the Actuary consider to be required to provide benefits under the Scheme in respect of each employment subject to b.) below. The Principal Company shall recover from the Associated Companies any contributions made on their behalf. The Companies shall contribute only such sums as relate exclusively to the benefits to be provided in respect of employment with that Company.

c) on retirement after Normal Retirement Date, the greatest of:-

- i) the amount calculated in accordance with paragraph 2.a) above on the basis that the actual date of retirement was the Member's Normal Retirement Date,
- ii) the amount which could have been provided at Normal Retirement Date in accordance with paragraph 2.a) above together with an amount representing interest thereon, and
- iii) where the Member's total Service has exceeded 40 years, the aggregate of 3/80ths of Final Remuneration for each year of Service before Normal Retirement Date (not exceeding 40 years) and of a further 3/80ths of Final Remuneration for each year of Service after Normal Retirement Date, with an overall maximum of 45 reckonable years,

Final Remuneration being computed in respect of i) and iii) as at the actual date of retirement, but subject always to paragraph 6. below;

d) on leaving Pensionable Service before Normal Retirement Date, a lump sum of 3/80ths of Final Remuneration for each year of that Service (not exceeding 40 years) or such greater amount as will not prejudice Approval.

The amount computed 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.

3. **The lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon) payable on 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) four times Final Remuneration but excluding proviso (B) of that Definition less
- 1) any lump sum (other than a refund of his own contributions and any interest thereon) payable on the death of the Member under all Relevant Schemes in respect of service with previous employers, and
 - 2) any lump sum life assurance benefit payable on the death of the Member under a retirement annuity contract or trust scheme approved under Chapter III Part XIV of the Taxes Act or a Personal Pension Scheme

if the aggregate of such lump sums exceeds £2,500.

4. **Any pension for a Dependant**, when aggregated with the pensions other than those provided by surrender of the Member's own pension, payable to that Dependant 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 Rule 17), or
- b) being a deferred benefit payable to the Member at Normal Retirement Date, or

payable have been paid or applied and there remains an unexpended balance of benefits payable then the Trustees shall pay the unexpended balance of such benefits to the Member's legal personal representatives.

15. Prohibition of Assignment of Benefits

No benefit is assignable to another party and no benefit is capable of being surrendered and all rights to benefit shall be forfeit should a Member or other beneficiary wholly or partly assign or charge or surrender so as to make any benefit become vested in or payable to or charged in favour of another person or take any such action or allow any event that would result in such assignment or charging of any benefit under the Scheme. The Trustees may, at their discretion, pay or apply such forfeited benefit or any part thereof for the benefit of the Member or beneficiary concerned or his Dependants but under no circumstances shall any payment be made to any assignee or chargee whether actual or purported who is not a Dependant.

16. Payment of Pensions

- a) Subject to Rule 16.b) and unless the Inland Revenue otherwise consent all pension benefits (including any post-retirement increases under Rule 17) arising under the Scheme shall be secured by the Trustees by means of annuity contracts or policies purchased in the names of the Trustees with an Insurer which annuity contracts or policies are approved by the Inland Revenue for the purposes of satisfying section 431(4)(b) of the Taxes Act.
- b) In the case of (i) a Member who retires for whatever reason on or after 4th February 1994 or (ii) a Member who retired on or after 4th February 1989 but whose pension has not been secured within five years of that retirement under Rule 16 b) the Trustees may purchase an annuity for such Member in accordance with that Rule. Where a prospective widow's/widower's reversionary pension is payable, the Trustees shall purchase such a contingent annuity at the same time as the Member's own pension is so secured. If, however, the widow's/widower's pension is payable to whichever person is the Member's spouse when the Member dies, its purchase may be deferred until the death of the Member."

The Trustees shall, however, have the power to defer the purchase of an annuity for such Member or for any dependant (subject always to the above conditions for purchasing a widow's/widower's pension) of a Member who dies while in service or after retirement until in the case of the Member's pension no later than the date on which such Member attains age 75, or in the case of a dependant's pension until the earlier of the attaining by the dependant of age 75 or the date on which the deceased Member would have attained age 75, so long as the following conditions are and remain satisfied:

- (i) Where all Members of the Scheme/all dependants are in receipt of pensions (contingent widow's/widower's of pensioners whose pensions must be secured at the same time as the pensioners in accordance with Rule 16 a) above being regarded as in receipt of pension), the Trustees shall not, directly or indirectly, make any new loans to, or share purchases, in the Employer or a Company associated with the Employer or make any new investments in any stock or shares of any Private Company following the later of the first payment of pension to the last Member of the Scheme to retire and the first payment of pension to the last dependant. The Trustees shall ensure the repayment of any existing loan made to the Employer or to any Company associated with the Employer and shall realise the value of any stock or shares held in any Private Company within five years of the commencement of pension in respect of the last Member or dependant or on attainment by that Member or dependant of age 70 if earlier. Where the Member of dependant has already attained age 70 when payment of pension commences, the repayment of any existing loan or realisation of any stock or shares held in any Private Company shall take place immediately.

11. **Opting-Out of Pensionable Service**

A Member may elect that he shall cease to accrue Pensionable Service under the Scheme notwithstanding the fact that he remains in Service. Written notice of not less than one month or as agreed with the Trustees, given to the Trustees in an appropriate form shall constitute such election. The election shall take effect from the expiry of the period of notice and between that date and the date the Member leaves Service, dies or re-enters Pensionable Service (whichever first applies) the following provisions shall have effect in respect of him:

- i) the Member shall no longer be required to contribute to the Scheme and may no longer make contributions to any FSAVC Scheme except where the Member continues to be a Member of an individual pension arrangement when he may make further contributions to an FSAVC Scheme and,
- ii) entitlement under the Rules to benefits payable on death shall cease, but shall be governed by provisions which may be made for the continuation of such benefits by the Trustees,
- iii) the Member shall be entitled to benefits as detailed in Rule 10.1) and at the Trustees' discretion and with the consent of the Principal Company the Member may elect for the options under Rule 10.2).

12. **Commutation of Pension**

- i) A Member may elect, at the date his pension commences to be payable or alternatively at or after his Normal Retirement Date (if his pension did not commence to be payable on or before Normal Retirement Date), by giving notice in writing, and with the Trustees' consent, to exchange the whole or part of his pension for a cash sum, subject to the Inland Revenue limits as laid down in Rule 2 and prior to the commencement of any pension under these Rules. The amount of cash sum in exchange for pension shall be determined by the Trustees in consultation with the Actuary and agreed with the Inland Revenue and notified to the Member in writing.
- ii) In circumstances where if at the date any pension becomes payable to a Member under the Rules the Member is in exceptional circumstances of serious ill-health, which fact has been satisfactorily evidenced to the Trustees, the Trustees may, at their discretion and after having obtained the consent of the Inland Revenue pay a cash sum to the Member in exchange for the whole of his pension or if the Member has elected to exchange part of his pension under Rule 12.i) above then in exchange for the balance of pension, if any.
- iii) In the case of a Special Director whose benefits are to be fully commuted in circumstances of serious ill-health or who is to retire on grounds of Incapacity the prior agreement of the Inland Revenue shall be obtained within the prescribed notification period.
- iv) In circumstances where if at the date any pension becomes payable to a Member under these Rules and the aggregate benefits payable to the Member under the Scheme and any other Scheme do not exceed the value of a pension of £260 (or such higher amount which may be prescribed from time to time by regulations made under paragraph 15(4) of the Pension Schemes Act 1993 and is consistent with Approval) then the Trustees may pay a cash sum to the Member in exchange for the whole of his pension.

13. **Death of a Member on or after Normal Retirement Date**

- 1) If a Member dies while in Service on or after his Normal Retirement Date:

- f) Without prejudice to e) above or to the right of indemnity by law given to trustees, the Trustees shall be indemnified out of the Assets against all actions, proceedings, expenses and costs, claims and demands in respect of any matter or thing relating to the Scheme unless it be proved to have been made, committed or omitted in personal conscious bad faith.
- g) Neither the Trustees nor the Companies shall be liable to provide benefits under the Scheme to any Member in excess of the benefits which can be provided from the Assets available to the Trustees in the Scheme.
- h) The Trustees shall have power:
 - i) to invest or apply any monies forming part of the Assets in, or upon the security of, stocks, shares, unit trusts, managed fund contracts, insurance policies, annuity policies or contracts, financial or other futures contracts, traded options, debentures and debenture stock, interests in land, works of art or other objects of value and other assets whatsoever or wheresoever situate, whether or not involving liability and whether or not authorised by law of the investment of trust funds, and in loans (including loans to the Principal Company and any or all of the other Companies except that such loans shall not exceed in value 50% of the Assets when aggregated with any equity investment in the Companies, held by the Trustees on behalf of the Scheme), whether secured or unsecured, as the Trustees in their absolute discretion see fit and to vary any such Assets to the intent that the Trustees' powers of investment and of varying Assets shall be as if the Trustees were absolutely entitled to such monies or Assets beneficially,
 - ii) to place monies on deposit or current account with any bank or to place on deposit with any building society, insurance company or local authority or to retain such monies on deposit or on current account,
 - iii) to underwrite or sub-underwrite any investments or securities, whether on issue or sale,
 - iv) to borrow any monies for the purpose of the Scheme and to invest such monies in the purchase of any assets or investments authorised under this Rule and to charge all or any part of the Assets for the time being thereof with the due repayment of, or payment of interest on, any monies so borrowed,
 - v) without prejudice to the generality of i) above, to invest in the purchase, or on the security of, freehold or leasehold land wheresoever situate or any interest therein and in any expenditure on development, redevelopment, improvement, maintenance or insurance in connection therewith.

PROVIDED THAT -

- a) all Assets shall be registered in the names of all the Trustees or as the Trustees see fit under their discretion,
- b) no investment or application of monies of the Scheme shall be avoided nor shall any decision of the Trustees thereon be questioned or invalidated on the grounds that any Trustee had a direct or personal interest in the result where such investment or application is subject to the prior consent of the Inland Revenue,
- c) the Trustees may not lend monies either with or without interest to the Members (or any one of them) or former Members, or any other person or persons having a contingent interest under the Scheme,
- d) before any investment is made which is an employer-related investment as defined in Schedule 4 of the Social Security Act,

d) Expenses

All costs, charges and expenses incurred in the administration of the Scheme including those of any person or body whom the Trustees have appointed for the purposes of the Scheme shall be borne by the Scheme except where by arrangement with the Trustees the Principal Company may pay all such costs, charges and expenses. The Principal Company may recover from the Associated Companies the whole or part of any sums so paid in such proportion as is reasonable.

25. **Continuation as a Frozen Scheme**

In the event of the happening of any one of the events under Rule 21) or any combination thereof the Trustees may elect to continue the Scheme as a frozen scheme on the following terms:

- 1) Prior to such election the Trustees must have received the consent of the Inland Revenue to so elect and the Trustees shall be bound to apply any terms and conditions and amendments imposed on them by the Inland Revenue as a condition of such consent;
- 2) Provided that Rule 25.1) is satisfied the Trustees shall continue to hold the Assets upon the trusts declared and to administer the Scheme with no further liability on the part of the Principal Company, any Associated Company or the Members to contribute to the Scheme, until such date (if any) as may be arranged for the Scheme to be determined or until the Assets are exhausted or until a date one year prior to the end of the Trust Period (whichever shall first occur);
- 3) In the event that the Trustees elect to continue the Scheme as a frozen scheme with the consent of the Inland Revenue, the Trustees shall assume the powers to amend the Scheme as though they were the Principal Company in accordance with Clause 13 of the Deed and the Trustees shall assume the power granted under Clause 9 of the Deed.

26. **Determination of the Scheme**

- 1) If the Scheme is terminated in accordance with Rule 21 the Trustees shall notify each Member and any other person in receipt of benefit, of the termination. Upon such termination the Trustees shall be entitled to reserve out of the Assets such sums as are necessary to meet the expenses of administration and winding up of the Scheme which in their opinion may not be recoverable from the Companies and to meet any tax or duty due for which they are accountable under the Scheme.

Subject to the above, the Trustees shall apply the Assets in the following manner but only to the extent that the Assets permit:

- a) in applying any cash sums in accordance with the Rules which shall have become payable on the death of any Member and in securing the payment of pensions where they have not already been secured to the following:
 - i) Pensions already in payment.
 - ii) Pensions for Members whose retirement from Service has been deferred after Normal Retirement Date in accordance with the Rules and who are not already in receipt of such pensions. The said pensions are to commence immediately and will be subject to Inland Revenue limits as laid down in Rule 2.
 - iii) Benefits expectant or contingent upon the death of the persons entitled to the pensions in i) and ii) above.

- c) The Administrator shall calculate as at the date of the transfer and supply the Scheme with a certificate of the maximum lump sum payable on retirement from the transfer value.
- d) When making a transfer to an approved personal pension scheme the Administrator shall provide a certificate of the maximum lump sum payable on retirement from the transfer value if the transferring Member:
 - (a) was aged 45 or more at the time that the transfer payment was made, or
 - (b) has at any time within the 10 years preceding the date on which the right to the cash equivalent being transferred arose, been, in respect of any employment to which the transfer payment or any part of it relates, either
 - (i) a Special Director, or
 - (ii) in receipt of annual remuneration in excess of £60,000 or, if greater, the allowable maximum (ie the equivalent for personal pension schemes of the permitted maximum) for the year of assessment in which the date of transfer falls, or
 - (c) is entitled to benefits included in the transfer payment which arise from an occupational pension scheme under which the normal retirement age is 45 or less.
- e) Nothing in this Rule shall create or imply the creation of a right for the Member to receive a refund of his contributions on ceasing to be a Member.

20. Augmentation of Benefits

The Trustees after consultation with the Actuary and on the instruction of the Principal Company may from time to time, subject to the limits laid down in Rule 2, augment any pension or other benefit payable or prospectively payable to any Member or other person from the Scheme or may, subject to Approval not being prejudiced, grant new or additional benefits for or in respect of any Member.

PROVIDED THAT -

the Trustees are satisfied that the Companies have provided such additional contributions (if required) as shall in their opinion, after consultation with the Actuary, be required to provide for the additional or augmented benefits.

21. Termination of Liability

- a) The Principal Company may at any time, without the consent of the Members of any of the Associated Companies, terminate its liability to contribute to the Scheme by giving the Trustees notice in writing. On receipt of such notice the Trustees shall inform each Member in writing of the notice given and all further liability on the part of the Principal Company and the Associated Companies and the Members to contribute to the Scheme shall cease with effect from the date of the notice given except in so far as concerns payments due prior to the date of the notice.
- b) Any Associated Company may at any time, without the consent of the Members or the Principal Company or any other Associated Company, terminate its liability to contribute to the Scheme by giving the Trustees notice in writing. On receipt of such notice the Trustees shall inform each Member employed by the Associated Company in writing of the notice given and all further liability on the part of the Associated Company and those Members to contribute to the Scheme shall cease with effect from the date of the notice given except in so far as concerns any payments due prior to the date of the notice.

- h) A formal review of the amount of pension payable shall thereafter form part of the Scheme's triennial actuarial reviews; and the renewal certificate shall be supplied to the PSO with the actuarial valuation report.

17. Post-Retirement Increases

The Trustees will, and not more frequently than once each year from the date pension payments commenced and subject to the limits as laid down in Rule 2, increase the amount of pension in payment provided that in the opinion of the Trustees and after consultation with the Actuary such increases will not prejudice the solvency of the Scheme. The Trustees are allowed to make such increases in proportion to the increase over the period of the Index but they shall not be bound to do so and may make such smaller increases as they, after consultation with the Actuary as to the solvency of the Scheme, see fit.

18. Transfers to the Scheme

Where a Member is entitled to benefit under any other scheme the Trustees may subject to an undertaking given to the Inland Revenue and in accordance with the provisions of the other scheme and at the written request of the Member and with the Principal Company's consent:-

- a) accept from the other scheme any cash sum in substitution of the Member's benefits under the other scheme, such payment being the amount the Trustees of the other scheme (or any other person or persons having the necessary powers) are authorised to pay or,
- b) accept from the other scheme an assignment to themselves of such annuity or assurance contracts or policies on the life of the Member as the assets of the other scheme may comprise, or
- c) accept from the other scheme a transfer of any assets including property but provided such a transfer has received the prior approval of the Inland Revenue.

Upon acceptance the Trustees shall confer upon the Member such rights and benefits under the Scheme as the Trustees shall decide having regard to the value of the assets or other received. Once the rights or benefits are conferred then the Trustees shall inform the Member of such rights and benefits in writing.

PROVIDED THAT -

- a) The Trustees shall obtain from the trustees of the other scheme (or other person so empowered to give) a certificate stating firstly the amount (if any) which is to be regarded as representing the Member's own contributions to the other scheme and to be treated in the scheme as Member's contributions and secondly the period of service to which the transfer of assets or other relates.
- b) Any prohibition on the Member's rights to take a refund of contributions under the other scheme shall subsist in relation to those amounts certified in a) above as representing the Member's contributions.
- c) In the case of a Class B or Class C Member the Trustees shall obtain from the trustees of the other scheme (or other person so empowered to give) a certificate stating the amount (if any) of the benefit derived from the transfer of assets or other which may be paid in the form of a lump sum and shall not provide benefits in lump sum form so derived in excess of the amount certified. The amount so certified may be increased in proportion to any increase in the Index since the date the transfer payment was received.
- d) The Member has a vested right to benefits in pension form as derived from contributions made to the other scheme by a company who is not a party to the scheme.

- 4) The trusts herein declared shall cease and determine upon the date at which the winding up of the Scheme shall have been completed.

27. **Refund of Surplus**

In the event that the Actuary advises that a surplus exists within the Scheme as a result of a valuation undertaken by him the Trustees will reduce or eliminate the surplus by methods specified in schedule 22 of the Taxes Act subject to the other relevant provisions of schedule 12 and amendments and regulations which may apply or be applied provided that the approval of the Inland Revenue is obtained prior to the Trustees taking any action upon the surplus.

28. **Temporary Absence**

If a Member is temporarily absent from employment before the Normal Retirement Date for more than one year, the Principal Company may choose to treat him as

- a) having left the employment of the Company: in which case the provisions of Rule 10 shall apply, or
- b) continuing in employment: in which case the Member's benefits may remain in force (for a period of up to 3 years only unless the absence results from Incapacity or secondment to a United Kingdom Government Department or unless the Member remains resident in the United Kingdom in which case the 3 year period is extended to 10 years) provided contributions continue to be paid in respect of such benefits, but not beyond the date on which he attains the Normal Retirement Age. Provided however that there is a definite intention of a return to service and the Member has not whilst temporarily absent become a member of another retirement benefits scheme.

If the period of absence is one year or less; b) above shall apply.

If a female Member is in receipt of maternity pay from the Companies in accordance with the Employment Protection (Consolidation) Act 1978, contributions shall continue to be paid (at the rate in force immediately prior to the first payment of maternity pay) whilst the maternity pay continues. The provisions of Rule 10 shall then apply unless she has given valid notice of her intention to return to work in accordance with that Act, in which event, at the discretion of the Principal Company, contributions may continue to be paid (at the rate in force immediately prior to the first payment of maternity pay) until the earlier of the last day on which she would be entitled to return and the date (if any) her right to return is revoked. If she does not return (or her right to return is revoked), the provisions of Rule 10 shall apply forthwith.

29. **Special Conditions**

ALL MEMBERS

1. **AUGMENTATION OF BENEFITS**

Where in addition to being a Member of this Scheme the Member is also a Member of an approved scheme (the voluntary scheme) which provides additional benefits to supplement those provided by this Scheme and to which no contributions are made by any employer of his, the provisions of the paragraph that follows shall apply in relation to any augmentation of the benefits provided for him by this Scheme after he has ceased to participate in it.

Any provisions in this Scheme imposing a limit on the amount of a benefit provided for the Member shall have effect (notwithstanding anything in them to the contrary) as if they provided for the limit to be reduced by the amount of any like benefit provided for the Member by the voluntary Scheme.

a member of the Scheme or a connected person if the purchase by the member or connected person takes place 3 years or more after the sale by the Trustees.

7. Provisions as to transactions with Employers and Associated Companies

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

8. Provisions as to Pensioner Trustees

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

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

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

- (i) they hold as an investment subject to the trusts of the Scheme a right which confers entitlement to receive payment of any rent charge, ground annual, fuel duty or other annual payment reserved in respect of, or charged on or issuing out of, that property, and
- (ii) the property is not occupied by a Scheme member or a person connected with him.

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

- a. to a member of the Scheme or to a person who is connected with a member of the Scheme other than an Employer or any Company associated with an Employer; or
- b. to an Employer or a Company associated with an Employer unless the loan is;
 - (i) utilised for the purpose of the borrowers Business, and
 - (ii) for a fixed term, and
 - (iii) at a commercial rate of interest, and
 - (iv) evidenced by an agreement in writing which contains all the conditions on which it is made and, in particular, the provisions specified in paragraph c. below;
- c. the provisions specified in this paragraph are that the lending shall be repaid immediately if;
 - (i) the borrower is in breach of the conditions of the agreement; or
 - (ii) the borrower ceases to carry on business; or
 - (iii) the borrower becomes insolvent within the meaning defined for the purposes of Regulation 6 of the Retirement Benefit Schemes (Restriction on Discretion to Approve)(Small Self-Administered Schemes) Regulations 1991; or
 - (iv) the money is required to enable the Trustees to pay benefits which have already become due under the Scheme.

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

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

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

2. Provisions as to borrowing

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

- a. three times the Ordinary Annual Contribution, and 160k
- b. three times the annual amount of contributions paid or payable as a condition of membership by Scheme Members in the year of assessment ending immediately before the borrowing takes place, and
- c. the amount found by the formula -

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

191k

where -

Appendix 3 (2000)

1. This Rule shall apply solely to employees of Principal Employers which are not resident in the United Kingdom and shall override any other provisions of the Trust Deed and Rules which are inconsistent with it.

2. Membership of the Scheme shall be open to employees of Principal Employers that are not resident in the United Kingdom who are chargeable to United Kingdom income tax under Case 1 or 11 of Schedule E of the Income and Corporation Taxes Act 1988 on their emoluments from the Principal Employer: But employees:-

- a. cannot be members in respect of a period of service when they qualified for a deduction of 100% under Section 193(1) Income and Corporation Taxes Act 1988, and
- b. must be restricted to receiving death-in-service benefits if they are in receipt of foreign emoluments as defined in Section 192(1) Income and Corporation Taxes Act 1988 and are members of a Scheme in respect of which they are obtaining relief under the "corresponding" provisions of Section 192(3) or 596(2)(b) ICTA 1988. (Where any employee in receipt of foreign emoluments has become a member of a Scheme in respect of which he/she is obtaining relief under the "corresponding" provisions of Section 192(3) or 596(2)(b) ICTA 1988, his/her benefits relating to subsequent service shall be confined to death-in-service benefits or he/she shall be withdrawn from membership of the Scheme immediately).

3. Membership of the Scheme shall also be open to employees of Principal Employers that are not resident in the United Kingdom if:

- a) the IR (SPSS) has explicitly approved the terms of their membership
- or
- b) membership commences or continues because the following circumstances and conditions are satisfied.

The circumstances are that:

(i) there is a definitive expectation that the employee will come to the United Kingdom either to take up employment with an employer participating in the scheme (such an expectation should be evidenced in writing), or to retire,

or

(ii) the employee's earnings remain effectively chargeable because he or she only works overseas for periods which total less than 365 days in any year.

The conditions are that:

- the United Kingdom employer or the United Kingdom branch of the overseas employer should continue to pay to the approved Scheme any employer contributions due, but must be reimbursed by the overseas employer for the costs, unless the IR (SPSS) have specifically agreed otherwise;

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

RULE 2

Assignment

Rule 15 is amended to permit 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.

RULE 3

Notwithstanding any other provisions of the rules, the benefits for a Pension Debit Member are additionally subject to the following limits, subject to compliance with Social Security legislation:

- (i) The Pension shall not exceed the Aggregate Retirement Benefit in rule 2 less the Negative Deferred Pension in this Scheme and the Negative Deferred Pension in any Associated Scheme and, furthermore in the case of a Class A Member the Negative Deferred Pension in any Connected Scheme.
- (ii) The lump sum from this and any Associated Scheme shall not exceed;
 - (a) for Pension Debit Members who are Class A Members or Class B Members, an amount determined by $2.25 \times$ the initial annual pension payable
 - (b) for Pension Debit Members who are Class C Members, an amount of the greater of:
 - (I) $2.25 \times$ the initial annual pension payable **or**,
 - (II) an amount determined in accordance with rule 2 as if there had been no Pension Debit, less $2.25 \times$ the Negative Deferred Pension.

For the purposes of this Rule, the initial annual pension should be calculated on the following bases;

- (aa) if the pension payable for the year changes, the initial pension payable should be taken;
 - (bb) it should be assumed that the Pension Debit Member will survive for a year;
 - (cc) the effect of commutation should be ignored.
- (iii) On the death of the Pension Debit Member, any pension for a Dependant shall not exceed $\frac{2}{3} \times$ an amount determined in accordance with rule 13 or rule 14 as if there had been no Pension Debit, less the Negative Deferred Pension and the Negative Deferred Pension in any Associated Scheme and, furthermore in the

case of a Class A Member, the Negative Deferred Pension in any Connected Scheme. Where more than one pension is to be paid the total of all the pensions cannot exceed 100% of an amount determined in accordance with rule 13 or rule 14 as if there had been no Pension Debit, less the Negative Deferred Pension and the Negative Deferred Pension in any Associated Scheme and, furthermore in the case of a Class A Member the Negative Deferred Pension in any Connected Scheme.

RULE 4

The Trustees must give full details of the Pension Debit and a lump sum certificate specifying the maximum permissible lump sum, to the receiving scheme/arrangement where the fund underlying the benefits for a Pension Debit Member is transferred to another Scheme approved under Chapter 1 Part XIV of the Act or a Scheme approved under Chapter IV Part XIV of the Act.

RULE 5

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, if appropriate, in the calculation of any limit on benefits for that Member. If a transfer of the fund underlying the benefits for the Member is made to a Scheme approved under Chapter 1 Part XIV of the Act or a Scheme approved under Chapter IV Part XIV of the Act, the Trustees must give full details of the Pension Debit to the receiving scheme/arrangement.

RULE 6

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.

A lump sum death benefit may be paid to any person at the discretion of the Trustees.

The lump sum is limited to 25% of what would have been the cash equivalent of the fund which would have provided the Pension Credit Rights for the Ex-Spouse. The balance of the fund may be used to provide a non-commutable pension to a Dependant of the Ex-Spouse.

The amount of Pension Payable to a Dependant is limited to a maximum of 2/3rds of the amount of the pension that could have been paid to the Ex-Spouse at the date of death if the whole of what would have been the cash equivalent of the fund which would have provided the Pension Credit Rights had been used to purchase an annuity at an available market rate. Where more than one pension is to be paid the total of all the pensions cannot exceed the amount of the pension that could have been paid to the Ex-Spouse.

Such pensions must be payable for life, except that pensions paid to children must cease on the attainment of age 18 or, if later, on the cessation of full-time education. Such pensions may be fully commuted, however, for a lump sum on the grounds of triviality at the time such a pension becomes payable.

- the prospective pension in respect of the service abroad should be calculated and funded by reference to the rate of remuneration appropriate for similar employment in the United Kingdom; and
- the period of service abroad should not exceed 10 years. If there has been a previous period or periods of service abroad continuation of Scheme membership is limited to an aggregate of 10 years.

For the purposes of the aggregation calculation:

- (i) any period or periods of service abroad separated from a subsequent period of service abroad by at least one year's employment in the United Kingdom can be ignored and
- (ii) any period of service that arises from employees performing their duties abroad for a United Kingdom resident employer who are provided with benefits under an approved Scheme (regardless of whether they are effectively chargeable) can be ignored.

4. Benefits for any employees of the said Participating Employers shall be provided in relation only to their periods of service with and remuneration from the Participating Employer whilst they satisfy the eligibility conditions in paragraph 2 or 3.

5. In the event of an employee of one of the said Participating Employers ceasing to satisfy the eligibility conditions in paragraph 2 or 3 his/her benefits will be held subject to the rules until he/she leaves service or retires or his/her benefits are transferred out of the Scheme.

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

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

3. Provisions as to investment

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

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

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

- (A) holding a Residential Property where they hold as an investment units in a unit trust scheme:
 - (i) which is an authorised unit trust scheme within the meaning of section 468(6) of the Taxes Act, or
 - (ii) an exempt unit trust within the meaning of section 96 of the Capital Gains Tax Act 1979, and
 - (iii) that unit trust scheme holds Residential Property as an investment.
- (B) indirectly holding as an investment Residential Property other than that specified in paragraph (b) where -

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

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

where -

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

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

and shall not, where that time is during the period of two years from the date in which the Scheme was established, exceed the amount found of the formula -

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

where -

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

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

6. Provisions as to transactions with members of the Scheme.

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

RULE 1

Definitions

Ex-Spouse means an individual to whom Pension Credit Rights have been, or are to be, allocated following a Pension Sharing Order, agreement or equivalent provision.

Insurance Company is as defined in Section 659B of the Act.

Negative Deferred Pension means the amount by which the Member's pension or deferred pension under the Scheme which arose/arises from Service with the Employer(s), is reduced at the Relevant Date by section 31 Welfare Reform and Pension Act 1999 or under corresponding Northern Ireland Legislation, following a Pension Sharing Order, agreement or equivalent provision. For this purpose, Service with the Employer(s) includes all periods of service with other employers which have been treated as if they were Service with the Employer(s) where a transfer payment has been made to the Scheme in respect of that other service.

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

Pension Credit Benefit in relation to a Scheme, means the benefits payable under the Scheme to or in respect of a person by virtue of rights under the Scheme attributable (directly or indirectly) to a Pension Credit.

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 Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

Pension Debit Member means a Member whose benefits have been permanently reduced by a Pension Debit. Such a Member will either be;

- i. a Member who is a Controlling Director of a Company which is his/her employer if he/she is a Director of the Company to whom paragraph (b) of Section 417(5) of the Taxes Act 1988 applies either at the date on which the marriage was dissolved or annulled, or at any time within the period of 10 years before that date or,
- ii. a Member whose earnings at the date at which his/her marriage was dissolved or annulled exceeded 1/4 of the Permitted Maximum for the year of assessment in which the dissolution or annulment occurred. Earnings for these purposes shall be taken to be the total emoluments -
 - (a) which were paid to the member in consequence of pensionable service to which the Scheme relates during the year of assessment before the year of assessment in which the marriage was dissolved or annulled, and
 - (b) from which tax was deducted in accordance with the Income Tax (Employments) Regulations 1993.

- b) in securing for Members in Service at the date of winding up, entitlement to benefit (including any benefit arising from voluntary contributions) as if their Service terminated at the date of winding up, the payment of a pension at Normal Retirement Date and benefits expectant or contingent upon the death of such Member of such amount as the Trustees in consultation with the Actuary consider appropriate having regard to the Member's interest in the Scheme, which benefits are subject to the Inland Revenue limits set out in Rule 2.
- c) in securing for Members having left Service with a right to a pension and benefits (including benefits for spouse or Dependant through the Member) the said pension and benefits by means of effecting annuity contracts or policies with an Insurer, which annuity contracts or policies are approved by the Inland Revenue for the purposes of satisfying Section 591(2)(g) of the Taxes Act.
- d) in securing the payment of such additional pensions at Normal Retirement Date for any or all of the Members in Service at the date of the winding up who have not reached Normal Retirement Date as the Trustees in their absolute discretion see fit but subject to the limits as laid down in Rule 2.
- e) in securing the payment forthwith of such additional pensions for the benefit of any or all of those persons in receipt of pensions or whose pensions have been withheld after Normal Retirement Date in accordance with the Rules as the Trustees in their absolute discretion see fit but subject to the limits as laid down in Rule 2.
- f) in securing the payment (whether immediate or deferred) of pensions not already secured for the benefit of all or any of the widows, widowers or Dependents of any persons who are or have been Members as the Trustees in their absolute discretion see fit but subject to the limits as laid down in Rule 2.

PROVIDED THAT -

- 1) The Trustees shall have the power subject to the written request of the Member to transfer all or such part of the Assets to the Trustees or other administrator of any other scheme approved by the Inland Revenue for the purposes of this Rule as they consider, in consultation with the Actuary to represent the accrued rights of beneficiaries whether actual or prospective as may be affected by such a transfer and the said beneficiaries shall be entitled to such benefits as the Trustees may arrange with the trustees or other administrator of the other scheme in their absolute discretion but always provided that such benefits are consistent with Approval of the other scheme.
- 2) Any benefits referred to in this Rule may be secured by annuity contracts or policies, which annuity contracts or policies are approved by the Inland Revenue for the purposes of satisfying section 591(2)(g) of the Taxes Act, with an Insurer and such policies or contracts may include options as follows:
 - i) for early retirement in accordance with these Rules,
 - ii) for exchange of pension for cash including full commutation where retirement is in exceptional circumstances of ill health in accordance with these Rules,
 - iii) for late retirement in accordance with these Rules.

Provided that such benefits shall be purchased only to the extent allowed by the Inland Revenue limits laid down in Rule 2 and that such policies or contracts shall be endorsed to show that the benefits thereunder are not capable of assignment.

- 3) Any balance of Assets remaining unexpended in the hands of the Trustees after effect has been given to the preceding provisions of this Rule shall be paid to the Companies in such proportions as the Trustees in consultation with the Actuary shall arrange and subject to the prior written agreement of the Inland Revenue and after deduction of tax under section 601 Taxes Act.

CLASS A MEMBER

2. PAYMENT OF BENEFITS

The Rules shall have effect (notwithstanding anything in them to the contrary) as if they provided:-

- a. that a Member's retirement benefit shall be paid no later than the date on which he attains age 75, and
- b. subject to a. above that no part of a Member's retirement benefit shall be paid in advance of actual retirement or leaving service except to the extent necessary to comply with Department of Social Security requirements.

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

- e) The benefits provided under the Scheme for a Member which include benefits derived from a transfer of assets or other shall not in any event exceed the Inland Revenue limits as laid down in Rule 2.

19. **Transfers from the Scheme**

If a Member on leaving Service becomes a Member of any Personal Pension Scheme or another scheme approved by the Inland Revenue under the Taxes Act or specifically approved for the purposes of this Rule by the Inland Revenue the Trustees may, subject to any undertaking given to the Inland Revenue and in accordance with the provisions of these Rules and at the written request of the Member and with the consent of the Principal Company and in substitution for all the benefits which would arise under the terms of his membership of the Scheme:-

- a) pay to the other scheme or Personal Pension Scheme a cash sum not exceeding that which the Trustees in consultation with the Actuary estimate to be equal to the value of the benefits to which the Member is entitled under the Scheme which have accrued up to the date of leaving Service or,
- b) pay to an Insurer selected at the Member's discretion and found to be acceptable to the Trustees a cash sum not exceeding the amount that the Trustees estimate in consultation with the Actuary to be equal to the benefits to which the Member is entitled under the Scheme which have accrued up to the date of leaving Service. The cash sum to be applied as the premium of an annuity policy or contract of a type acceptable to and approvable by the Inland Revenue. The Insurer and the Member in consideration of such payment shall give to the Trustees a full and effective discharge from all liabilities and expenses whatsoever due from the Trustees to the Member and any party claiming under him.
- c) if the Member's Accumulated Credit comprises in part or whole annuity or assurance contracts or policies, assign to the Member such contracts or policies. Where the Member's Accumulated Credit is not comprised in whole of such contracts or policies then that portion not so comprising shall be applied to increase the benefits being provided under the contract or policy, subject to Inland Revenue limits as set out in Rule 2.

Provided that such contract or policy shall be endorsed to indicate:

- i) the Member's benefits,
- ii) that the benefits cannot be assigned,
- iii) the maximum extent (in monetary terms) to which benefits may be taken in lump sum form either as commutation or on death,
- iv) that the policy cannot be assigned or surrendered except a surrender for the purpose of transferring the value to another scheme approved under the Taxes Act of a subsequent employer to secure benefits in that scheme subject to the insurer certifying to the administrator of the other scheme the maximum amount that can be paid in lump sum form.

PROVIDED THAT -

- a) The Trustees shall ascertain from the trustees of the other scheme (or any other person so empowered to inform) the section and Act under which it is approved by the Inland Revenue.
- b) No sum shall be paid by the Trustees unless they are satisfied that such part as is derived from the Member's contributions will be treated as Member's contributions by the other scheme and that they have advised the Trustees (or other person or persons) administering the other scheme of the amount to be so treated and of any prohibition on the Member's right to take a refund of contributions under the Scheme which is a condition of Approval and that such prohibition must subsist under the other Scheme.

- c) The cessation of business of the Principal Company without a substitute company being appointed as Principal Company shall cause the Scheme to terminate unless the Inland Revenue agree to its continuance as a frozen Scheme under Rule 25.

Provided that Rule 26 shall apply in relation to the assets and benefits applicable to the Principal Company, the Associated Companies and the Members.

22. Replacement of the Principal Company

If another Company (being known as the New Principal Company) enters into agreement with the Trustees and the Principal Company (or its Liquidator) to perform the obligations of the Principal Company under this Deed and Rules the Principal Company shall be released from its obligations under this Deed and Rules and the Deed and Rules shall thenceforth be read and construed to the effect that references to the Principal Company shall mean the New Principal Company.

23. Participating Companies

Any Associated Company may participate in the Scheme under the terms laid down in the definition of Associated Company in Rule 1. and shall be bound by the terms of this Deed and Rules. Such participation shall continue until otherwise agreed by the Trustees or on the giving of notice to the Trustees by the Associated Company of its intention to cease participation. No Company may participate in the Scheme where its participation would prejudice Approval and if an Associated Company ceases to be sufficiently associated with the Principal Company to the extent that its continued participation in the Scheme would prejudice Approval or continued Approval then it shall cease participation in accordance with Rule 21 (b).

24. Administration

- a) Disclosure of information:

Copies of the documentation constituting the Scheme shall be made available for inspection by any beneficiary, including prospective beneficiaries, or representatives of a Trade Union recognised by the Principal Company or the Associated Companies on request and at reasonable notice and in a manner as is consistent with the requirements of the Occupational Pension Schemes (Disclosure of Information) Regulations 1986. The Trustees may make a reasonable charge for any copies supplied.

Every beneficiary under the Scheme shall be supplied with information concerning his rights and options under the Scheme at such times as is required under the Occupational Pension Schemes (Disclosure of Information) Regulations, 1986.

- b) Actuarial

The Trustees shall appoint an Actuary who will value the Assets in relation to its liabilities at least once every three years and the valuation shall be submitted to the Inland Revenue for their consideration.

- c) Accounts

The Trustees shall keep such books, records and accounts as are necessary to the proper running of the Scheme.

1990, each Member of the Scheme shall agree in writing to the making of that investment.

7. **Benefits At Normal Retirement Date**

A Member who retires at Normal Retirement Date shall be entitled, subject to the provisions of Rule 2 to a pension equal to the Member's Target Pension provided always that the Member's Accumulated Credit is of sufficient amount in the opinion of the Trustees after consultation with the Actuary to purchase the Target Pension. Where the Accumulated Credit is insufficient to purchase the Target Pension then the Pension shall be the pension purchased by the Member's Accumulated Credit.

8. **Benefits on Late Retirement**

- a) If a Member by arrangement with the Principal Company defers his retirement from Service after his Normal Retirement Date payment of pension may be withheld. In the event that payment of pension is withheld it shall commence from a date not later than the date of the Member's actual retirement from Service. The amount of pension payable at the actual retirement date may be greater than would have been available at Normal Retirement Date. The amount of the increase will be determined by the Trustees having regard to the period of deferment and subject to Inland Revenue limits as laid down in Rule 2.
- b) If a Member leaving Pensionable Service becomes entitled, subject to Rule 2, to a pension under Rules 7 or 9 he may, with the Trustees' and the Principal Company's consent defer the payment of the pension to a date later than his Normal Retirement Date but not later than age 70 (or 75 for a Class A Member) and subject to his still being in employment. The Trustees at their discretion may increase the pension by an amount not exceeding the increase in the Index during the period of deferment.

9. **Benefits on Early Retirement**

If a Member on leaving Pensionable Service becomes entitled, subject to Rule 2, to a pension under Rule 10 he may with the consent of the Principal Company and the Trustees commence to draw such pension at any time on or after his 50th birthday or earlier if he is retiring due to Incapacity. The amount of the pension will be determined by the Trustees in consultation with the Actuary having regard to the Member's age at the time and subject to it being of an amount (in the form of pension or lump sum in lieu of commuted pension) that will not prejudice Approval. Any immediate payment of a reduced pension at age 50 or after will be at the Member's request.

10. **Benefits on Leaving Service**

1. A Member who ceases to be in Pensionable Service before Normal Retirement Date shall be entitled to a pension commencing at Normal Retirement Date equal to the amount of pension which may be provided by the Member's Accumulated Credit provided that it shall be subject to the Inland Revenue limits as set out in Rule 2 and exceeds or compares reasonably with a pension that could have been provided by the Member's own contributions.
2. Alternatively the Member may (a) request a transfer payment under Rule 19 or, (b) if the Member's Qualifying Service is less than 2 years he may elect to receive the immediate return in respect of the value of his own contributions under Rule 3, except contributions which in accordance with Rule 18 may not be returned. If the Member is precluded from taking a return of the value of his own contributions in accordance with Rule 18 then he shall be entitled to the benefits which were secured by the transfer payment received.

- a) prior to the commencement of any pension under these Rules or;
- b) after his pension has become payable to him

and he has surviving Dependants then a pension shall become payable to the Dependants of an amount determined in accordance with paragraph 13.2) below and payable on the Dependants Pension Date by equal monthly instalments in advance and in such shares to the Dependants as the Trustees shall decide at their discretion. The payment of any pension under this Rule shall be subject to the production of such information and evidence that the Trustees may require from time to time.

- 2) Any pensions payable under this Rule shall be of an amount, subject to the Inland Revenue limits set out in Rule 2, equal to that pension which could have been bought by the Trustees from an Insurer by utilising the Member's Accumulated Credit at the date of his death.
- 3) If a Member dies within the five years following the date pension payments commenced the Trustees shall pay, in accordance with Rule 14.3) a lump sum equal to the balance of the outstanding monthly instalments so as to make the total number of monthly instalments paid to the Member 60. The outstanding monthly instalments are to be calculated at the rate of the monthly instalments applicable at the Member's death.

14. Death of a Member before Payment of Pension Commences

- 1) Subject to any election made under the terms of Rule 11 if a Member dies while in Service before Normal Retirement Date or if he has left Service and is entitled to a deferred pension and dies before Normal Retirement Date having not commenced to draw his pension then the Life Assurance Benefit shall become payable.

If the Life Assurance Benefit exceeds the maximum amount due as a lump sum under the provisions of Rule 2 then the Trustees shall apply the excess to the purchase of a pension for one or more Dependants as is appropriate taking into account the Member's circumstances prior to his death, in order to expend in full such excess. The pension or pensions shall commence on the Dependant's Pension Date and shall be subject to the Inland Revenue limits as laid down in Rule 2.

- 2) If a Member dies while in Pensionable Service after Normal Retirement Date and before his pension has commenced to be payable the Trustees shall pay **EITHER** the Life Assurance Benefit under the terms of Rule 14.1) above provided he has not exchanged any pension under Rule 12 **OR** if pension has been exchanged under Rule 12 a sum equivalent to five times the annual amount of pension he would have received had his pension commenced on the day immediately preceding his death, the payment of such an amount being subject to the provisions of Rule 14.3) below.

In the case of a Special Director who has attained the age of 75 but has not retired, any benefits payable on his death on or after the age of 75 will be paid to the surviving spouse or in the absence of a surviving spouse to the Member's legal personal representatives.

- 3) In respect of Life Assurance Benefit or other benefit payable under Rules 14.1) and 14.2) and 13.3) the Trustees have the power within a period of 2 years from the date of the Member's death to pay the benefit to the Member's estate and/or to pay or apply such benefit to any one or more of the Member's Dependants, relations, or charitable bodies living at the date of the Member's death in such manner and in such shares or proportions as the Trustees shall decide. If the Member has expressed his wishes in writing to the Trustees then they shall have regard to such wishes but shall not be bound by the Member's wishes.

If the Trustees have not exercised the power herein granted within the period of two years or have not exercised it in full to the extent that only part of the benefits

- c) Where the Scheme has both Members/prospective dependants whose pensions are to yet in payment and Pensioners/dependants with pensions in payment whose annuity purchase has been deferred (prospective widow's/widower's of Pensioners whose pensions must be secured at the same time as the Pensioner's in accordance with Rule 16 a) being regarded as in receipt of pension) the Actuary shall exclude each such Pensioner's or dependant's actuarial interest in the Fund when determining the proportion and the amount which may be lent to, or used to buy shares in, the Employer or any Company associated with the Employer or used to buy stock or shares in any Private Company.

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

- d) Where, during the period of deferral, investments held for the purposes of the Scheme include real or heritable property, the Trustees shall ensure that there are sufficient other readily realisable assets so as to be in a position to purchase a Member's or dependant's annuity at any time after the Member or dependant has attained age 70.
- e) The amount of any new borrowing by the Trustees during any period of deferral shall be restricted so that the Pensioners' and dependants' actuarial interests in the Fund are excluded from the calculation in Rule 2 of Appendix 1 attached hereto. The Trustees shall ensure the reduction of any borrowing in existence when a Member retires or when a dependant's benefits come into payment so as to comply with the levels set out in Rule 2 of Appendix 1 within five years of those events or on attainment by the retired Member or dependant of age 70 if earlier. Where the Member or dependant has already attained age 70 when payment of pension commences, any reduction in borrowing to comply with the levels set out in Rule 2 of Appendix 1 shall take place immediately.
- f) During the period of deferral, and whilst the pension is paid by the Trustees, the Actuary shall certify the amount of pension which can be maintained by the Trustees taking account of:
- (i) in the case of a Member's pension, any contingent dependants' pensions payable;
 - (ii) the income and assets of the Scheme, and in particular those liquid assets representing the Pensioner's or dependant's actuarial interest in the Fund.

In the case of a Member's pension, the certificate shall compare the pension with the amount of an annuity which could, at that time and on the same terms be secured with the Member's actuarial interest in the Fund. In the case of a dependant's pension, the initial certificate shall compare the pension with an annuity that could have been secured at the Member's death. Subsequent renewal certificates shall compare the dependant's pension with the amount of an annuity which could, at that time and on the same terms, be secured with the dependant's actuarial interest in the Fund. Where the pension and annuity differ by 10% or more, the certificate shall include a full explanation.

- g) A copy of the initial actuarial certificate shall be provided to the Pension Schemes Office (PSO) with the next actuarial valuation report of the Scheme or earlier on request by the PSO.

b. Class B or Class C Member

Notwithstanding anything to the contrary in these Rules the benefits payable to a Class B or a Class C Member, his Dependents or other beneficiaries in respect of him shall not, when aggregated with all benefits of a like nature provided under all Relevant Schemes providing benefits in respect of Service, exceed the limits set out below.

1. **The Member's Aggregate Retirement Benefit** shall not exceed:-

- a) on retirement at or before Normal Retirement Date, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- b) on retirement at any time before Normal Retirement Date on grounds of Incapacity a pension of the amount calculated in accordance with paragraph a) above as if the Member had remained in service until the Normal Retirement Date.

Final remuneration being computed as at the actual date of retirement.

c) on retirement after Normal Retirement Date a pension of the greatest of:-

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

Final Remuneration being computed in respect of i) and iii) as at the actual date of retirement, but subject always to paragraph 6. below;

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

2. **The Member's Lump Sum Retirement Benefit** shall not exceed:-

- a) on retirement at or before Normal Retirement Date, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- b) on retirement at any time before Normal Retirement Date on grounds of Incapacity the amount calculated in accordance with paragraph 2a) above as if the Member had remained in service until the Normal Retirement Date,

Final Remuneration being computed as at the actual date of retirement.

- c) prospectively payable to the Member who dies in Service had he remained in Service up to the Normal Retirement Date at the rate of pay in force immediately before his death, or
- d) prospectively payable to the Member who dies in Service after Normal Retirement Date on the basis that he had retired on the day before he died,

or such greater amount as will not prejudice Approval.

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents pensions payable in respect of him under this and all Associated Schemes 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.

- 5. The maximum amount of pension ascertained in accordance with this Rule less any pension which has been surrendered to provide a Dependants pension may be increased by 3% for each complete year since the date that the pension commenced to be paid or, if greater, in proportion to the increase in the Index that has occurred since that date.
- 6. If a Member elects to take any part of his benefits under the Scheme in advance of actual retirement, the limits set out in paragraphs 1. and 2. above shall apply as if he had retired at the date of the election with 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 as follows:-

the amount of the maximum Aggregate Retirement Benefit in paragraph 1. and of the maximum Lump Sum Retirement Benefit in paragraph 2. shall be reduced, where necessary for approval, so as to take account of any corresponding benefits under either a retirement annuity contract or trust scheme approved under Chapter III Part XIV of the Taxes Act or a Personal Pension Scheme.

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

- a) where retirement takes place after Normal Retirement Date but not later than the Member's 70th birthday, paragraphs 1.b.ii and iii. and paragraphs 2.b.ii and iii. shall not apply and if retirement is later than the attainment of that age, the said paragraphs shall apply as if the Member's 70th birthday had been specified in the Rules as his Normal Retirement Date, so as not to treat as Service after Normal Retirement Date any Service before the Member reaches the age of 70;
- b) where paragraph 6. 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.

3. Members' Contributions

- a) Each Member shall contribute to the Scheme at the rate specified in the Summary and notified in writing to the Member which rate may be amended from time to time such amendment being notified in writing to the Member but that no rate of contribution determined under this Rule may be altered before the expiry of a period of twelve months from the date on which the first payment at the current rate became due without the specific agreement of the Inland Revenue.

- b) At any time the Principal Company may give notice to the Trustees that it wishes to suspend or reduce the contributions of any of the Companies such that it contributes less than is required under a.) above. In the event that the Principal Company gives such notice the benefits of the Members in Service with the Company, or Companies, concerned may be modified by the Trustees in consultation with the Actuary and the Trustees will give to any Member concerned written notice of the modification of his benefits as soon as is practicable.

The liability of such Company or Companies to contribute shall be forthwith reduced or suspended in accordance with such notice except in respect of contributions due on or before the expiry of the notice.

5. Terms of Membership of the Scheme

- a) A person shall be eligible to join the Scheme on the invitation of the Principal Company.
- b) A Member must furnish such particulars and complete such documentation and forms as are required by the Trustees from time to time.
- c) A Member must provide such evidence of health (including submission to medical examination), age and family circumstances as the Trustees may reasonably require from time to time.
- d) Membership is dependent upon satisfactory evidence of health being provided upon the Member's joining or rejoining the Scheme and where the Trustees are dissatisfied with such evidence any benefit payable on the death of a Member may be restricted.
- e) In the event of a Member providing an incorrect statement of age then the Trustees may modify the benefits as they consider appropriate.
- f) A former Member who re-enters Pensionable Service having previously opted-out of Pensionable Service under the terms of Rule 11 or who re-enters Service having previously left service shall have the provisions of a) b) c) d) and e) above applied to him.

6. The Trustees' Duties Discretions and Powers

- a) Any Trustee who is or has been a Member shall be entitled to any benefits due to him by virtue of his Membership.
- b) All decisions made by the Trustees must be unanimous and they may by unanimous decision delegate any or all of their powers (with the exception of their powers relating to the winding up of the Scheme which powers must be exercised unanimously) under the Scheme to one or several of their number or such other person or body as may unanimously be agreed from time to time by the Trustees on terms and conditions decided by them at their discretion.
- c) In the event of the Trustees being unable to reach a unanimous decision on any matter (with the exception of matters relating to the winding up of the Scheme) the details shall be presented to an expert whose decision shall be binding on the Trustees to make unanimous agreement.
- d) No decision made or exercise of any power by the Trustees shall be invalidated or questioned on the grounds that any Trustee had a direct or personal interest in the result except in the exercise of a power of investment in which a Trustee had a direct interest.
- e) No Trustee shall be liable for the consequences of a mistake, whether of fact or law, or for breach of duty or trust made by commission or omission in relation to the Scheme unless it be proved to have been made, committed or omitted in personal conscious bad faith.

Financial Year means in relation to a company that period for which any account of the profit and loss of the company laid before the company in general meeting is made up irrespective of whether the period is a calendar year.

Fiscal Year means any year ending upon 5th April.

FSAVC Scheme means a retirement benefits scheme approved by the Inland Revenue by virtue of section 591(2)(h) of the Taxes Act.

Incapacity means physical or mental deterioration which is bad enough to prevent the Member from following his normal employment, or which seriously impairs his earning capacity. It does not mean simply a decline in energy or ability.

Index means the Government's Index of Retail Prices.

Inland Revenue means The Board of the Inland Revenue.

Insurer means an Insurance Company, EC Company or Friendly Society as described in Section 659B of Income and Corporation Taxes Act 1988.

Life Assurance Benefit means for a Member if applicable and subject to Rules 2 and 14 an amount equal to the amount calculated by the Actuary as representing the interest of the Member in the Assets based upon accrued pension benefits in the Scheme together with the proceeds of any life assurance policies effected by the Trustees on the life of the Member and notified to the Member in writing as being payable to him or his representatives.

Lump Sum Retirement Benefit shall mean the total value of all retirement benefits payable in any form other than than non-commutable pension under the Scheme and any Associated Scheme.

Member means a person who has joined the Scheme in accordance with Rule 5 provided he is entitled or prospectively entitled to benefit from or under the Scheme.

Normal Retirement Date means the date on which a Member normally retires from Service with the Companies and which is specified in the Summary and shall mean any date between a Member's 60th and 75th birthdays unless the Board of Inland Revenue specifically agree otherwise

Pensioner Trustee has the meaning as defined in Appendix 1 annexed hereto.

Pensionable Salary means in relation to a Member his total annual emoluments paid in any period of 12 months as appropriate.

Pensionable Service has the meaning ascribed to it by paragraph 3 Schedule 16 Social Security Act 1973.

Permitted Maximum shall have the meaning ascribed to it by Section 590C of the Income and Corporation Taxes Act 1988.

Personal Pension Scheme means a personal pension scheme approved under Chapter IV Part XIV of the Taxes Act.

Qualifying Service means Service which at the time it was given qualified a Member for benefits payable at or after retirement under this Scheme or any other retirement benefits scheme to which the Companies contribute or have contributed.

Relevant Date means the date of retirement, leaving Pensionable Service or death as the case may be.

Relevant Scheme means any other scheme approved or seeking approval under Chapter I Part XIV of the Taxes Act.

Relevant Schemes providing benefits in respect of Service, exceed the limits set out below.

1. **The Member's Aggregate Retirement Benefit** shall not exceed:-

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

In calculating the amount of the Aggregate Retirement Benefit the pension equivalent of the Member's lump sum Retirement Benefit is one twelfth of its total cash value.

2. **The Member's Lump Sum Retirement Benefit** shall not exceed:-

- a) on retirement at any time between attaining age 50 and attaining age 75 except before Normal Retirement Date on grounds of Incapacity, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- b) on retirement at any time before Normal Retirement Date on grounds of Incapacity the amount which could have been provided at Normal Retirement Date in accordance with 2.a above,

Final Remuneration being computed as at the actual date of retirement;

- c) on leaving Pensionable Service before attaining age 75 a lump sum of 3/80ths of Final Remuneration for each year of that service (not exceeding 40 years) or such greater amount as will not prejudice Approval.

The amount computed 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.

3. **The lump sum benefits (exclusive of any refund of the Member's own contributions and any interest thereon) payable on death of a Member** while in Service or (having left Service with a deferred pension)

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- c) cause any monies to be paid or transferred or have the effect of permitting monies to be paid or transferred to the Principal Company or the Companies except insofar as the monies are a surplus remaining after the termination of the Scheme or where such payments or transfers would not cause loss of approval and are not inconsistent with the irrevocability of the trusts hereby declared

AND THAT:

In the event of the Principal Company entering into liquidation the Trustees may assume the powers of the Principal Company as specified in the Rules annexed hereto and the Trustees may execute any such deed without the consent or authority of the Principal Company

14. The Principal Company and the Trustees confirm that the Scheme will be operated as an exempt approved scheme for the purposes of the Taxes Act and that no payments from the Scheme or transfers of any of the assets of the Scheme will be made to the Principal Company or the Companies without the approval of the Inland Revenue
15. Any Trustee being a person engaged in a profession or business shall be entitled to charge and to be paid all the usual professional and other charges for work done by him or his firm or limited company (as the case may be) or by any associated or subsidiary company of a limited company being a Trustee of the Scheme including work which a Trustee not being in any profession or business could have done personally and to receive commission for business transacted Any other Trustee who is not a full time employee of the Companies shall also be entitled to charge and be paid such remuneration for his services as may be agreed between him and the Principal Company
16. This Definitive Deed the Rules the Summary and Appendix 1 annexed hereto are to be read and construed in accordance with the laws of England and references throughout to an Act shall include that Act or any statutory modification thereof
17. The Rules and provisions contained in Appendix 1 annexed hereto shall be applied in respect of transactions occurring on or after the 5th August 1991 and definitions and expressions contained in the said Appendix 1 only refer to the Rules and Provisions contained therein

Signed as a Deed
by the said
SALLY MALTHOUSE
in the presence of:

) x S. A. Malthouse

Witness:



Address: 59 Heath St

Q.T. MULLAND

Occupation:

Quaker Hlp OAL

IFA

Signed as a Deed
by the said
MICHAEL HOLLAND
in the presence of:

) x M. H.

Witness:



Address:

59 Heath St

Q.T. MULLAND

Occupation:

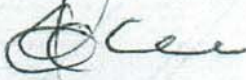
Quaker Hlp OAL

IFA

Signed as a Deed
by the said
SUSAN HOLAND
in the presence of:

) x S. M. Holland

Witness:



Address:

59 Heath St

Q.T. MULLAND

Occupation:

Quaker Hlp OAL

IFA

25/11/2019

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presence of:


59 Heath St

C.T. M. S. S. S. S.

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EL WILLIAMS
presence of:
ss: 

59 HIGHT ST

C.R. MISHRA

Знак АРБ ОА

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IN WITNESS WHEREOF the parties hereto have executed these presents as a Deed
the day and year first before written

EXECUTED AS A DEED by
UNIVERSAL ENERGY LTD LIMITED
by

X M H

M H

)
)
)
)
)
Director

X J W

J W

)
)
)
)
)
Secretary

THE COMMON SEAL of
**JAMES HAY PENSION
TRUSTEES LIMITED**
was hereunto affixed
in the presence of:

)
)
)
)
)
Authorized Sealing Officer

[Signature]
Authorized Sealing Officer

Signed as a Deed
by the said
GRAHAM GERRED
in the presence of:

Witness:

[Signature]

Address: *59 Heath St*

97. Millers Way

Swiss Hill 604C

Occupation:

(FA)

Signed as a Deed
by the said
DAVID COATES
in the presence of:

Witness:

[Signature]

Address: *59 Heath St*

97. Millers Way

Swiss Hill 604C

Occupation:

(FA)



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[Signature]

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