

Hi. Brad,

Please find your forms completed and SSAs
rules as requested, if you need anymore
info please call me on 01179 859985.

Regards.
Gnat Trains.

Pension Practitioner .com

SSAS Takeover Questionnaire

Name of Principal Employer	(Previously) Alexander Chapel Associates Ltd. (ceased trading.)		
Registered Number	(New Co.) Alexander Chapel Recruitment Ltd.		
Trading Address	6 Berkeley Square		
	Clifton.		
	Bristol. BS 8 1HG		
Telephone Number	01179 859985.		
Nature of Business	Recruitment.		
Name of Member Trustees	Date of Birth	NRA	National Insurance Number
STUART ALAN TRAVIS	28.6.56		WAO 38145B
MARK STEPHEN DHERTY	27.8.67		NPO4 48 05 C
PAUL JAMES HYLAND	16.12.62		
JONATHAN MARK CHURCH	15.1.60		

Pension Practitioner .com

Name of Accountant

Wyatt Pakeman Partners

Contact Name

Roger Pimblet

Address

Colkin House

16 Oakfield Road

Clifton, Bristol BS 8 2AP

Telephone Number

0117 973 0294

Scheme Pension Practitioner

JEREMY LINSOTT

Contact Name

The Lindens, Westfield Road

Address

Burnham on Sea

Somerset

TA 8 2AW

Telephone Number

01278 793411

Scheme Administrator

Contact Name

Address

Pension Practitioner .com

Financial Advisor

Contact Name

Address

Name of Scheme

HMRC registration number

Has the Scheme been registered
for the HMRC on line Pension
Service

Yes

No

<input type="checkbox"/>	<input checked="" type="checkbox"/>
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By signing this takeover questionnaire, we are also providing pensionpractitioner.com authority to obtain information regarding the scheme from the current advisors, HMRC registered administrator and pension scheme practitioner.

The information provided on this form is correct to the best of our knowledge

Signature


Name

Position

Date

Pension Practitioner .com

Signature



Name

MARK DOHERTY

Position

DIRECTOR

Important Note

Date

21/3/11

Please provide the following:
Most recent scheme accounts
current trust deed and rules

If you need assistance with the completion of this form please call us on 0800 634 4862

Terms of Business

Pension Practitioner.Com Limited is a company registered in England under company number 6028668 ("the Company").

This Terms of Business sets out the general terms and conditions that apply; how we perform these services and our charges.

We shall conduct our relationship with you at all times in accordance with these terms of business.

We are not regulated to provide investment or investment related services that are covered by the Financial Services Authority. We also do not provide mortgages and non-investment insurance.

We shall be entitled to any fees under these terms of business once you have consented to them, subject to the rights you have to cancel the agreement.

In these Terms of Business references "we" "us" and "our" shall mean Pension Practitioner.Com Limited as providers of this service. References to "you" and "your" means you as the Trustee(s) of the Scheme who will be the recipient of this service.

1. Our remuneration

- a. We receive our remuneration from fees, which we charge to you for provision of the services provided in the fee menu. Our fee for the set up of a scheme, or takeover of another pension scheme, is payable in advance. The administration fee is invoiced in advance for the year, and is collected quarterly by direct debit. The first collection date will arise within 7 calendar days following the tax registration of the scheme, or in the case of a scheme takeover, within 7 calendar days following provision of the scheme's takeover report. Thereafter, it is collected on the first working day of each subsequent quarter by direct debit.
- b. In the event that we are unable to collect by direct debit, we will re-attempt to collect payment 7 calendar days following the first collection attempt. If we are unable to collect that payment you will be subject to a late payment fee in line with that charged to us by our bankers. We also reserve the right not to perform any services for you until payment has been received, together with the right to recover in addition to our costs from you for pursuit of our invoice(s), for which you will be liable for.
- c. Where you instruct us to undertake work for you which does not form part of the administration services set out in the fee menu, we will charge you for those services once they are completed in our opinion. We will advise you in advance of those fees. You have 14 calendar days to pay for any and all that additional work which does not form part of the administration service. If you do not pay within 14 calendar days we reserve the right to charge you interest at a reasonable rate from the 14th date that the invoice remains outstanding until the date that the payment is received as cleared funds. We also reserve the right not to perform any services for you and reserve the right to recover in addition to our costs from you for pursuit of our invoice(s), for which you will be liable for.
- d. Where you or we terminate our services and you have paid for the annual administration fee of your scheme for the year and/or additional services set out in the fee menu, you shall be entitled to a refund of your fees, less the costs we have incurred to the date of the termination of the services agreement. No interest will be added to the refund. Where you terminate our

services, you will not be entitled to any refund if the invoice arising from the services for which you have been invoiced remains outstanding after 14 calendar days, or is outstanding at the date that our administration services agreement is terminated.

- e. By signing this agreement you agree to pay us for our services in accordance with that set out in these terms of business.
- f. You may request that the invoice(s) is made to and paid by the Registered Administrator of the scheme, however this does not, transfer, alter or diminish any terms or liability you have in connection with this agreement. You are signing this agreement as Trustee(s) of the pension scheme.

2. Termination

- a. Subject to the provisions set out in 1.a & b & c we or you may terminate this agreement at any time, on giving 30 calendar days notice to the other party in writing.
- b. Notice of termination by you must be given in writing to our address at: 33-35 Daws Lane, London, NW7 4SD. The agreement will terminate 30 days upon our receipt of such notice. Proof of posting will not constitute proof of delivery.
- c. Notice of termination by us must be given in writing to you and we will send such notice by post to your last known address.
- d. Termination of the agreement is without prejudice to the completion of any services initiated prior to receipt of such notice.
- e. The terms of business have no minimum or maximum period during which they must remain applicable.

3. Communicating

- a. You may communicate with us by writing, phoning or sending an email to us, there is no additional charge.
- b. We will communicate with you by writing, phoning or sending an email, at our discretion and unless we hear from you to the contrary we may telephone you from time to time in normal business hours without your further prior consent.
- c. All postal correspondence will be sent to you via the Royal Mail. We will not be responsible for loss of any correspondence that may arise from any error or failure of the postal system. First class mail will normally be used, save for documents of title.

4. Compensation

If you make a valid claim against us in respect of the services we provide we will make settlement in accordance with our professional indemnity insurance policy.

6. Verifying identity

We are registered with HM Customs & Excise for money laundering regulation under number 12527917 and as such we have satisfied those requirements as Fit and Proper Persons. Details of our nominated officer can be provided on request.

We will verify your identity in accordance with the Criminal Justice Act 1993 and the Money Laundering Regulations. In certain circumstances, where the individual cannot be verified by another approved person (such as your accountant), we will charge £15.00 per person who requires a MLR verification check. We may rely on an approved external provider to undertake that check.

7. Legal documents

Daws House, 33-35 Daws Lane, London. NW7 4SD
Registered in England No: 6028668; VAT Reg No: 894312018

We do not provide custodian services and therefore do not hold title on your behalf, save for taking copies of those documents to allow us to provide services to you. We will return those documents to you by Royal Mail recorded delivery; we cannot be responsible for the loss of legal documents, if the Royal Mail fails to deliver those documents.

8. Your money and investments

We do not handle client money under any circumstances. We are not co-owner or a signatory to any investments of any nature, including but not limited to loans, borrowings, stock and share purchases/sales, securities, financial futures and options, certificates of deposit, currency, metals, land and property of any nature. We are registered for Money Laundering Regulation and will require authority to obtain information regarding investment activities in order that we may meet HM Customs and Excise requirements, with whom we are registered with. We do not provide financial and/or investment advice. You are recommended to speak with an person who is regulated to give you that advice.

9. Law

The law governing this agreement is the law of England and Wales.

10. Instructions

We normally require our clients to give us instructions in writing, to avoid possible disputes, but we shall be entitled, at our sole discretion, to act upon your oral instructions. We can refuse your instructions at our discretion.

11. Variation of the agreement

We may vary the terms of this agreement by writing to you at your last know address giving 30 calendar days notice to those changes. Proof of delivery to this address will constitute proof of notice being served. These terms of business represent our understanding of the law and our terms of business as at 1 June 2009; they are valid from that date

12. Complaints Procedure

We always aim to provide an excellent service, if for any reason we have failed please put your complaint in writing to:

The Directors

Pension Practitioner.Com Limited

33-35 Daws Lane

London

NW7 4SD

We will respond to you within three working days of receiving that complaint and will commence an investigation. We will advise you of our progress and aim to complete our investigation within 30 calendar days of the complaint being received.

13. Data Protection Act 1998 & Legal Information, Privacy Statement and the Data Protection Act 1998

- a. We will treat all your personal information as private and confidential (even when you are no longer a customer), except where disclosure is made at your request or with your consent or where we are required by law to disclose. We will hold your details for a minimum of 6 years.
- b. We will use your information for the purposes of administration of the services you employ us to undertake from time to time and to allow us provide you with consultancy and documentation services you have asked us to provide to you.

- c. The information you provide to us may be shared with HMRC and the Pensions Regulator and their agencies for the prevention of fraud and to ensure proper compliance with their requirements of us. We will not provide your information to any other third party without your written consent to do so, except as required by law.
- d. Where necessary you consent to our processing data that is defined as sensitive by the Data Protection Act. You also consent to our transferring your information to countries that do not provide the same level of data protection as the UK, if necessary for the above purposes. In order to provide certain online services to you, we may transfer your data to countries or territories outside of the EEA (European Economic Area) that may not provide the same level of protection as within the EEA. We, our agents and sub-contractors will apply appropriate technical and organisational measures against the unauthorised processing of personal data and against accidental loss of, or damage to personal data. By providing your data you agree to your data being used and transferred as stated above.
- e. For marketing purposes we will never share with other companies the information you provide to us.

15. Contracts (Rights of Third Parties) Act 1999

Save in respect of death or personal injury, you will look only to us (and not to any individual engaged or employed by us including but without limitation to any directors or consultants or contractors) for redress if you consider that there has been any breach of these terms of business or any variation thereof which you agree should be confirmed in writing, or in relation to any cause of action arising out of any service that we provide to you. You also agree not to pursue any claims in contract, tort or for breach of statutory duty (including but not limited to negligence) against any individuals working for us in carrying out our obligation under these terms of business or in relation to any service we provide to you at any time, whether the individual is named expressly in any correspondence we send to you or not. You acknowledge that such individuals (including but without limitation to directors, employees and consultants) are entitled to enforce this term pursuant to the Contracts (Rights of Third Parties) Act 1999.

15. Scope of our services

We provide administration services to Trustees of Small Self Administered Schemes in order that they may perform their functions as Trustees.

We do not give advice on the suitability or otherwise of transferring pensions held in the UK or Overseas to Small Self Administered Schemes. You are recommended to speak to an Independent Financial Advisor who is authorised to give such advice prior to making any pension transfers.

Whilst we provide documentation and we rely on our pension solicitor's documentation, we are not solicitors and therefore clients are recommended to obtain their own legal advice where appropriate regarding the documentation we supply to them.

We do not undertake any activities arising from or connection with:

- Receiving instructions from the trustees or members about the buying or selling of trust and or insurance investments and then instructing a broker or product provider to effect the transaction.
- We do not deal or enter into investment transactions concerning securities or relevant investments on behalf of the trustees.
- Nor do we handle claims on behalf of trustees.
- We do not arrange the appointment of a custodian on behalf of the trustees.
- We do not give investment advice or solicit investment products

Such activities are undertaken by the trustees for themselves or through the appointed advisor. We do not receive any payments for investments and policies that you arrange.

We do undertake all of the following:

- maintaining records;
- liaising with tax authorities;
- arranging actuarial advice;
- paying over contributions to a product provider or fund manager for investment in line with pre-agreed instructions; and
- paying out benefits under the instruction of the trustees
HMRC and all other Regulatory reporting
- Give information regarding changes in HMRC and Regulatory practice
- Give information we consider from time to time appropriate to the trustees concerning the governance of the pension scheme.
- Provide through our appointed solicitors legal services to the trustees

We do not hold nor are we a signatory to the assets of the pension scheme. We will hold authority for any investments undertaken in order that we may meet our reporting requirements to HMRC.

Fit and Proper Persons

We are registered with HM Revenue and Customs as a Company Service Provider in order that we can meet their requirements of us. We have satisfied their fit and proper persons test and a copy of our certificate is available on request. We will share information with HMRC and their agencies to prevent fraud or in connection with the prevention of money laundering.

By signing this agreement you confirm that you have read the terms of business and agree to be bound by these terms of business.

Signed: 

Name: STUART EVANS

Signed: 

Name: MARK DOHERTY

Signed:

Name:



Awarded for excellence

Yorke House
PO Box 62
Castle Meadow Road
Nottingham NG2 1BG
Telephone: 0115 974 0000
Fax: 0115 974 1480

SCOTTISH MUTUAL ASSURANCE PLC
ABBEY NATIONAL HOUSE
301 ST VINCENT STREET
GLASGOW G2 5HN

Your reference SSAS MD
Our reference 001/111787/000000/F
Date 1 June 1999

Dear Sir/Madam

ALEXANDER CHAPEL ASSOCIATES LTD

SSAS

I am authorised by the Board of Inland Revenue to state that the scheme named above has been approved as a retirement benefits scheme for the purposes of Chapter I Part XIV Income and Corporation Taxes Act 1988 with effect from 1 July 1997 and will be treated as an "exempt approved scheme" for the purposes of section 592 of that Act.

The approval is given on the understanding that this Office will at once be advised of any alteration to the rules or other terms of the scheme and will be conditional upon compliance with the undertaking given by the Administrator, with sections 605 and 606 Income and Corporation Taxes Act 1988, and any regulations made by the Board under section 612(3) of the said Act.

Yours faithfully

Controller

If telephoning please ask for D MILICIC
on (0115) 9741477 (Direct Dial)



HM Revenue
& Customs

235001:00003365:001

Stuart Alan Travis
46 Salisbury Road
Redland
Bristol
BS6 7AT

Issued by
AO SHIPLEY
VICTORIA STREET
SHIPLEY
WEST YORKSHIRE
BD98 8AA

Phone number 01274 530750
Charge reference XDR00000056403
Customer reference XA0086923
Only use this reference if
you phone or write to us
Date of issue 25/03/2010

Payment Reminder

Description of Charge	Period of Charge	Amount payable
PENALTY FOR FAILURE TO SUBMIT PENSION SCHEME RETURN	31/01/2010	£ 100.00
Interest accrued to date (where applicable)		£ 0.00
Total amount due		£ 100.00

Although we have asked you for payment, the amount shown is still outstanding.
If you haven't paid in full within the last few days, please make the payment now. Where applicable, interest
will be charged if payment is made late.

Notes on how to pay are shown overleaf.

▼ If you need to use the payslip, please detach here ▼

SAFE PR2 HMRC 10/08

Alliance & Leicester *Trans cash*
COMMERCIAL BANK
Booth Merseyside GIR 0AA

Payslip



bank giro credit



158

Reference

XDR00000056403

Credit account number

157 8049

Amount due
(no fee payable at PO counter)

£ 100.00

CHEQUE ACCEPTABLE

For official use

Stuart Alan Travis

Cashier's stamp and initials

Signature

Date

NATWEST BANK PLC
HEAD OFFICE COLLECTION A/C
HM REVENUE & CUSTOMS

CASH

CHEQUE

£

57-80-49

PR2

HMRC 04/09

Please do not fold this payslip or write or mark below this line

XDR00000056403 87241578049 000100005 74 X



Whyatt Pakeman
PARTNERS

Chartered Accountants

Colkin House T : 0117 973 0294
16 Oakfield Road F : 0117 923 8249
Clifton E : wpp@wpp.uk.com
Bristol BS8 2AP W : www.wpp.uk.com

Statement

To:

Alexander Chapel Associates Limit
- Directors Pension Scheme
6 Berkeley Square
Clifton
Bristol
BS8 1HG

A/c Ref. P015
Date: 04/11/2008
Page: 1

Date	Ref.	Details	Debit	Credit
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02/10/08	09/0455	Invoice	822.50	
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Mark:

Could you please arrange a cheque to be
raised on the SASS in settlement.

Many thanks
Eugene.

PA. 6/1/09



Whyatt Pakeman
PARTNERS

Chartered Accountants

Colkin House T : 0117 973 0294
16 Oakfield Road F : 0117 923 8249
Clifton E : wpp@wpp.uk.com
Bristol BS8 2AP W : www.wpp.uk.com

Remittance Advice

From:

Alexander Chapel Associates Limit
- Directors Pension Scheme
6 Berkeley Square
Clifton
Bristol
BS8 1HG

A/c Ref. P015
Date: 04/11/2008
Page: 1

Date	Details	Debit	Credit
------	---------	-------	--------

02/10/08	Invoice	822.50	
----------	---------	--------	--

Current	30 Day	60 Day	90 Day	120+ Day
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0.00	822.50	0.00	0.00	0.00
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Amount Due

£ 822.50

Amount Due

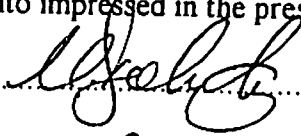
£ 822.50

Please note that in accordance with our standard
terms of business fee invoices are due for payment
within 30 days of the invoice date.

Resolution

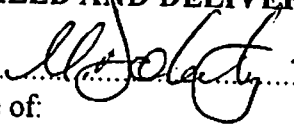
The attached Scheme Rules are hereby adopted by the Principal Employer and the Trustees.

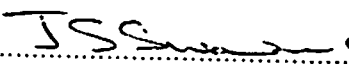
THE COMMON SEAL of Alexander Chapel Associates
was hereunto impressed in the presence of:

.....  Director

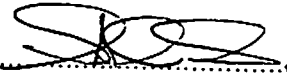
.....  Director/Secretary

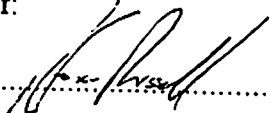
SIGNED SEALED AND DELIVERED

by the said.....  Mark Stephen Doherty
in the presence of: (Trustee)

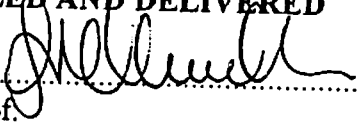
.....  Witness

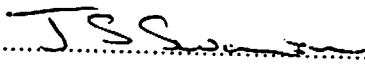
SIGNED SEALED AND DELIVERED

by the said.....  Stuart Alan Travis
in the presence of: (Trustee)

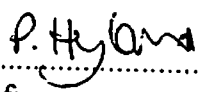
.....  Witness

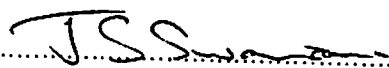
SIGNED SEALED AND DELIVERED

by the said.....  Jonathan Mark Church
in the presence of: (Trustee)

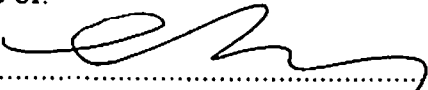
.....  Witness

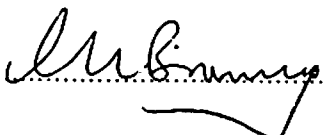
SIGNED SEALED AND DELIVERED

by the said.....  Paul James Hyland
in the presence of: (Trustee)

.....  Witness

THE COMMON SEAL of
Scottish Mutual Assurance plc
was hereunto affixed
in the presence of:


..... Authorised Officer


..... Authorised Officer

Date. 29/4/99

SF047/0104/000452/2

RULES OF THE

ALEXANDER CHAPEL ASSOCIATES LTD SSAS

DEFINITIONS

Throughout these Rules the following expressions have the following meanings and the masculine gender includes the feminine where the context so admits:-

"the Scheme" means the Alexander Chapel Associates Ltd SSAS constituted by Declaration of Trust dated 1 July 1997.

"the Principal Employer" means the Alexander Chapel Associates Ltd.

"the Commencing Date" means the 1 July 1997.

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

"Active Members" means Directors and employees of the Participating Employers who have been admitted to membership of the Scheme in accordance with these Rules and who have not ceased to be Active Members in accordance with Rule 10 (B).

"the Actuary" means the Actuary for the time being of Scottish Mutual Assurance plc.

"Aggregate Retirement Benefit" means the aggregate of

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

Benefit

"Approval" means approval of the Scheme by the Board under Chapter I Part XIV of the Act.

"Associated Employers" means companies where one is directly or indirectly controlled by the other or both or all are controlled by a third person. For the purposes of this definition control has the meaning in Section 416 of the Act in relation to close companies or in Section 840 of the Act for other corporate bodies.

"Associated Scheme" means any Relevant Scheme which provides benefits in respect of Service.

"Board" means the Board of Inland Revenue.

"Class A Member" means any Member who is not a Class B or Class C Member.

"Class B Member" means any Member;

- (a) who on or after 17 March 1987 and before 1 June 1989, joined the Scheme being a scheme which commenced before 14 March 1989, or
 - (b) who the Board have agreed in writing to be a Class B Member by virtue of previous membership of a Relevant Scheme
- and in either case, he has not opted to become a Class A Member.

"Class C Member" means any member who joined the Scheme before 17 March 1987 or who joined subsequently and who the Board 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.

"the Company" means Scottish Mutual Assurance plc.

"Connected Scheme" means any Relevant Scheme which is connected with the Scheme in relation to the Member i.e. if

- (A) there is a period during which the Member has been the employee of 2 Associated Employers,
- (B) that period counts under both schemes as a period in respect of which benefits are payable, and
- (C) the period counts under one scheme for service with one employer and under the other for service with the other employer.

"Controlling Director" means a Member who, at any time on or after 17th March 1987 and in the last 10 years before the Relevant Date has, in relation to the Employer, been both within the definition of a director in section 612 (1) of the Act and within paragraph (b) of section 417 (5) of the Act.

"the Date of Entry" means the Commencing Date, and each anniversary thereof.

"the Declaration of Trust" means the foregoing Declaration of Trust.

"Dependant" means the spouse of a member or any individual who in the opinion of the Managing Trustees is financially dependent on a Member or was so dependent at the date of the Member's death or retirement as appropriate. Notwithstanding the foregoing a child of the Member will be regarded as a Dependant until the attainment of age 18 or until the child ceases to receive full-time educational or vocational training, if later.

"Final Remuneration" means whichever is the greater of;

- (A) the highest remuneration upon which tax liability has been determined for any one of the 5 years preceding the Relevant Date being the aggregate of;
- (I) the basic pay for the year in question and
 - (II) the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year, of any Fluctuating Emoluments provided that Fluctuating Emoluments of a year other than the basic pay year may be increased in proportion to 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 Fluctuating Emoluments (provided that it was earned or qualified for prior to the Relevant Date) and may be included provided the yearly average of 3 or more consecutive years begins no later than commencement of the basic pay year.
- (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 of the Act and upon which tax liability has been determined for any 3 or more consecutive years ending not earlier than 10 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 3 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 an interest in shares or from a right to acquire shares or anything in respect of which tax is chargeable by virtue of Section 148

- of the Act, except where the shares or rights etc had been acquired before 17 March 1987;
- (II) in relation to a Controlling Director, Final Remuneration shall be the amount ascertained in accordance with (B) above and (A) above shall not apply;
 - (III) in relation to any Member other than a Controlling Director whose remuneration in any year subsequent to 5 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 Member 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 (as calculated in (A) above) or total emoluments (for the purposes of (B) above) of any year may be increased in proportion to any increase in the Index from the last day of 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 Retirement Benefit is similarly increased beyond the maximum amount which could be paid but for this proviso and the proviso to (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 for 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) a Member who remains, or is treated as remaining, in service but by reason of Incapacity is in receipt of a much reduced remuneration for more than 10 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.

Except as in proviso (I) above, benefits in kind may be taken into account when they are assessed to income tax as emoluments under Schedule E, and will normally be regarded as Fluctuating Emoluments. If benefits are not so assessable, they may not be included as part of Final Remuneration except with the agreement of the Pension Schemes Office.

For the purposes of providing immediate benefits at the Relevant Date it will be permitted to calculate Final Remuneration on the appropriate basis above using remuneration assessable to tax under Case I or II of Schedule E and upon which tax liability has not been determined. On determination of this liability Final Remuneration must be recalculated. Should this result in lower Final Remuneration then benefits in payment should be reduced if this is necessary to ensure that they do not exceed the maximum approvable basis on the lower Final Remuneration.

Where Final Remuneration is greater it will be possible to augment benefits in payment but such augmentation must be in the form of a non-commutable pension.

Where immediate benefits are not provided or where a transfer payment

is to be made in respect of accrued pension benefits then Final Remuneration may only be calculated using remuneration assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined.

"Fluctuating Emoluments" means any part of a Member's earnings which are not paid on a fixed basis and are additional to the basic wage or salary and which are assessable to tax under Case I or II of Schedule E of that 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.

"Index" means the Governments Index of Retail Prices.

"the Insurer" means the Company or a U.K. branch or office of such other insurance company, company or institution incorporated in the U.K. to which Part II of the Insurance Companies Act, 1982 applies and which is authorised by or under Section 3 or 4 of that Act to carry on ordinary long-term insurance business as defined in that Act as may contract with the Managing Trustees to issue annuity bonds or assurance policies for the investment of Trust monies.

"Long Service Benefit" means the benefits to which a Member, his spouse, Dependants or personal representatives will be entitled under the Scheme if he remains in service until Normal Retiring Date.

"Lump Sum Retirement Benefit" means the total value of all retirement benefits payable in any form other than non-commutable pension under this

and any Associated Scheme

"Managing Trustees" means the Managing Trustees for the time being acting under the Declaration of Trust and who shall act jointly as the Administrator of the Scheme

"Maximum Benefit" means in relation to any benefit secured under the Scheme for a Member the appropriate maximum benefit set out in Rule 14.

"Members" means Active Members and former Active Members entitled to benefit under the Rules of the Scheme so long as such benefits are outstanding.

"Normal Retiring Date" means for any Member such birthday not earlier than the 60th birthday and not later than the 75th birthday as maybe agreed between the Employer and Member at the time of his inclusion in the Scheme.

"the Participating Employers" means the Principal Employer and every other Associated Employers which shall have entered into a participation agreement with the Managing Trustees to comply with and observe the provisions of the Scheme and in respect of which the Scheme is still in operation and "the Employer" means in relation to any individual Member that one of the Participating Employers by which he is employed or, if he is no longer employed by any of the Participating Employers, that one of them by which he was last employed.

"Pensionable Employment" means employment by the Employer in the United Kingdom of Great Britain and Northern Ireland as a permanent full-time director.

"*Pensionable Service*" shall have the meaning ascribed to it by paragraph 3 Schedule 16 Social Security Act 1973.

"*Permitted Maximum*" has the meaning ascribed to it by Section 590 (c) (2) of the Act.

"*Qualifying Service*" in relation to a Member at a particular time means the aggregate of the following periods namely:-

- (A) the period of Pensionable Service in any periods of employment ceasing at that time which in accordance with proviso (C) hereof are deemed to be continuous employment, and
- (B) any earlier period of service with any of the Participating Employers which, when it ceased, included at least 2 years' Pensionable Service under the Scheme excluding any period for which his rights were transferred to another scheme or during which the Member paid contributions in respect of which a refund was paid to the Member, and
- (C) service with the Employer in the same period of continuous employment which qualifies the Member for benefit under any other Scheme of the Employer in which no other employer participates, and
- (D) years of service whilst a member of another scheme relating to the same or any other employment in respect of which additional rights to Long Service Benefit have been granted under the Scheme in substitution for accrued rights under such other scheme.

Provided that:

- (I) no account shall be taken of any period which does not qualify the Member for Long Service Benefit nor of any period before the Commencing Date or before the Participating Employer participated in the Scheme, and
- (II) no period shall be reckoned twice, and
- (III) periods of employment by one or more of the Participating

Employers separated by an interval

- (a) which was due to pregnancy or confinement and the Member has exercised a right to resume work under section 45(1) of the Employment Protection (Consolidation) Act 1978, or
- (b) which did not exceed one month

will be treated as continuous employment for the purposes of the definition.

"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 Act and in respect of a Class A Member who is a Controlling Director also a retirement annuity contract or trust scheme approved under Chapter III Part XIV of the Act or any personal pension scheme as approved under Chapter IV Part XIV of the Act insofar as it provides benefits secured by contributions in respect of Service .

"Remuneration" 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.

"Retained Death Benefits" shall mean any lump sum benefits payable on the Member's death from;

- (a) retirement benefits schemes approved or seeking approval under Chapter

I Part XIV of the Act or relevant statutory schemes as defined in section 611A thereof,

- (b) funds to which Section 608 of the Act applies,
- (c) retirement benefits schemes which have been accepted by the Inland Revenue as "corresponding" in respect of a claim made on behalf of the Member for the purpose of section 596(2)(b) of the Act.
- (d) retirement annuity contracts approved under Chapter III Part XIV of the Act, or
- (e) personal pension schemes approved under Chapter IV Part XIV of the Act,
- (f) transfer payments from overseas schemes held in a type of arrangement defined in (a) (d) or (e) above

in respect of previous employments or periods of self-employment (whether alone or in partnership). If the Retained Death Benefits do not exceed £2,500 in total they may be ignored.

"the Rules" means the Rules of the Scheme or any varied or substituted Rules for the time being in force.

"Service" shall mean service with the Employer or an Associated Employer or, except in relation to a Class A Member which is a Controlling Director of either employer, an employer who is associated with the Employer only by virtue of a permanent community of interest.

"Short Service Benefit" means the benefits payable to or in respect of a Member under the Scheme on termination of service with the Employer (other than by death) before Normal Retiring Date, such benefits consisting of or comprising benefits of any description (whether pensions or lump sum and including any option contained in the Rules to substitute the one for the other in whole or in part) which would have been payable to or in respect

of him or available to him as Long Service Benefit.

"*Special Trustee*" means the Scottish Mutual Assurance plc or such other person or company appointed to act as such.

"*the Trustees*" means any one or more of the Managing Trustees and Special Trustee for the time being of the Scheme.

1. OBJECT

The purpose of the Scheme is to provide Relevant Benefits for the Members as defined in Section 612(1) of the Act.

2. ELIGIBILITY

(A) ASSOCIATED EMPLOYERS

Any employer which is now or may hereafter become associated in business with the Principal Employer to such an extent that its participation in the Scheme would not prejudice Approval may enter into a participation agreement with the trustees to comply with and to observe the provisions of the Scheme as from the date specified in the said agreement. The Principal Employer and every such employer which shall have entered into such an agreement and in respect of which the Scheme shall not have been determined shall thereafter constitute and be referred to as "the Participating Employers" and in the event of any employee of any of the Participating Employers (hereinafter in this Rule referred to as "the Transferor Employer") being or having been transferred from the service of the Transferor Employer to the service of any other of the Participating Employers (hereinafter in this Rule referred to as "the Transferee Employer") such employee shall be deemed for the purposes of the Scheme to have been an employee in the service of the Transferee Employer for the whole period of his previous service with the Transferor Employer or any other of the Participating Employers and the Transferee Employer shall be deemed to have paid all amounts previously paid by any of the participating Employers to the Trustees in respect of such employee.

(B) ELIGIBILITY

Membership of the Scheme is open to selected persons in Pensionable Employment as the Employer in his discretion decides are eligible from

time to time provided that they have applied for membership in the form prescribed by the Managing Trustees.

3. CONTRIBUTIONS AND INVESTMENT

(A) MEMBER'S CONTRIBUTIONS

Each Member shall contribute to the Scheme the annual amount agreed with the Employer at the Commencing Date, or at any later date, such annual amount being notified in writing to the Member. No rate of contribution determined under this sub-Rule may be altered before the expiry of a period of twelve months from the date on which the first payment became due without the specific agreement of the Board. The contributions paid to the Scheme by a Class A member in a year of assessment shall not exceed either when aggregated with the Member's contributions to any other exempt approved scheme, 15 % of his Remuneration, or when aggregated with the Member's total contributions to any other scheme which are Associated or Connected Schemes, 15 % of the Permitted Maximum. The total contributions paid by a Class B or a Class C Member in a year of assessment to this any other Associated Scheme shall not exceed 15% of his Remuneration for that year. Within this limit and taking into account the limits set out in Rule 14 Members may pay voluntary contributions in addition to any required contributions to secure additional benefits. Except where voluntary contributions are paid under arrangements entered into by the Member before the 8 of April 1987 any retirement benefits so secured must be in the form of non-commutable pension for the Member or his spouse or Dependents, except to the extent to which the provisions of the Scheme allow commutation of trivial pensions or on the grounds of serious ill health.

(B) EMPLOYER'S CONTRIBUTIONS

The Employer shall contribute annually to the Managing Trustees an

amount for each Member of the Scheme certified by the Actuary to be within the maximum allowed by the Board for securing the benefits to be provided for the Member.

If more than one of the Participating Employer's shall have paid the Employer's contributions in respect of a Member the aggregate Employer's contributions paid in respect of that member shall be deemed to have been paid by his last Employer.

(C) TRUST FUND

All monies received by the Managing Trustees shall be held by them in the Trust Fund on irrevocable trust to accumulate for each Member the contributions from or in respect of him and the income from the investment thereof to provide his benefits in accordance with these Rules. The Managing Trustees shall effect with the Company for each Member an assurance policy or policies (hereinafter referred to as 'the Policy') securing the benefits payable on the Member's death before Normal Retiring Date and such of the retirement benefits to be provided for the Member as can be secured by payment of premiums at the level agreed subject to the Managing Trustees acting on the advice of the Actuary. The remainder of the moneys held by the Managing Trustees shall be referred to herein as the Free Trust Fund. The Managing Trustees shall keep a separate account for each Member (herein referred to as "the Member's Account") to which shall be credited all contributions received by them from or in respect of him and a share of the income and capital growth of the Free Trust Fund on any basis which they consider equitable and to which shall be debited the premiums payable on the Policy effected in respect of such Member and any payments made by them to or in respect of such Member. Notwithstanding the allocation of assets for benefit calculation purposes, all the assets remain assets of the common trust fund against which the rights of each Member lie.

(D) INVESTMENT

- (I) The Managing Trustees may retain any investments or property or any interest therein from time to time held by them and forming part of the Free Trust Fund or sell or realise or otherwise deal with the same in such manner as they shall in their absolute discretion determine and may invest or apply in manner hereinafter provided any monies forming part of the Free Trust Fund and not immediately required for the payment of benefits and shall have power to sell or realise any investments or property or interest therein whether for providing money required for in the payment of such benefits or for reinvestment or otherwise.
- (II) Subject to the provisions of Sub-rule (E) below, the Managing Trustees may invest or otherwise deal with any monies or other assets forming part of the Free Trust Fund in such manner as they shall in their absolute discretion determine and in particular and without prejudice to the generality of the foregoing the Managing Trustees shall have power to;
 - (a) invest or apply any monies forming part of the Free Trust Fund in or upon the security of any stocks, shares, debentures, debenture stocks, units in unit trusts or mutual or managed funds, bearer securities, and interest in land and any annuity policies and policies of assurance (being annuity policies or policies of assurance issued by an Insurer) or other investments or property whatsoever and wherever situate, whether or not involving liability, whether or not producing income and whether or not authorised by law for the investment of trust monies as the Managing Trustees in their absolute discretion think fit;
 - (b) underwrite sub-underwrite or guarantee the subscription of any funds, securities, bonds, debenture stocks and stocks

and shares of any kind;

- (c) place or retain any monies on deposit or current account at such rate of interest (if any) and upon such terms as they shall think fit with any bank, investment company, building society, local authority, finance company or any Insurer, and on deposit upon such terms as they shall think fit with any other company or undertaking. The Managing Trustees shall not be chargeable in respect of any interest in excess of the interest (if any) actually paid or credited on any monies dealt with in accordance with this Rule or otherwise in respect thereof;
- (d) enter into any transaction in connection with financial futures, the lawful currency of any country and the purchase or sale of any assets or property for receipt on delivery at a future date and may grant or acquire call or put option over any assets or property.

Provided always that the Managing Trustees are hereby expressly prohibited from making any loan or advancement from the assets of the Free Trust Fund to any individual who is a Member or has a contingent interest under the Scheme and provided further that any loan or advancement from the assets of the Free Trust Fund to the Principal Employer or any other Employer which participates in the Scheme shall be made on commercial terms and at a commercial rate of interest and shall be subject to Approval not being prejudiced thereby.

- (e) the Managing Trustees shall in relation to any real property or any interest therein forming part of the Free Trust Fund have the following additional powers:
 - (i) power to keep any buildings insured against such risks and for such amounts as they think fit;

- (ii) powers, in addition to the powers of management conferred by law upon trustees holding land upon trust for sale, to sell, exchange, convey, lease, charge, agree to let or otherwise conduct the management of such property as if the Managing Trustees were absolutely entitled to such property beneficially but so that, in exercising this power, the Managing Trustees shall obtain and act upon the advice as they consider necessary (including advice from an independent valuer or independent valuers) in order to determine and agree the terms and conditions appropriate to each such sale, exchange, conveyance, lease, charge and agreement to let;
- (iii) power to apply any monies for the time being forming part of the Free Trust Fund in improving or developing any such property or in enlarging, improving, demolishing, or rebuilding any building comprised in such property.
- (f) the Managing Trustees shall have the power to give any indemnity in connection with the exercise of their powers under this Rule and may bind the Free Trust Fund to give effect thereto.
- (g) after obtaining the consent of the Special Trustee, the Managing Trustees may whenever they think it desirable so to do raise or borrow any sum or sums of money and may secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by charging or mortgaging part of the Free Trust Fund.
- (h) the Managing Trustees may accept donations or bequests from

any person or body to be applied for the purposes of the Scheme.

- (i) the Managing Trustees shall, unless and to the extent that the Special Trustee shall otherwise agree in writing, seek the prior agreement of the Special Trustee to any investment or laying out of the Trust Fund in accordance with this Clause and shall seek the prior agreement of the Board before acquiring any assets from the Principal Employer or any other Employer which participates in the Scheme

(E) RESTRICTIONS ON INVESTMENT

- (I) Notwithstanding anything to the contrary in these Rules the following sub-rules (II) to (IX) 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 these Rules.

- (a) In this Rule the following expressions shall have the meanings ascribed to them:

- (i) "Business" includes:

- (aa) a trade or profession, or

- (bb) any activity other than investment carried on by a body of persons, whether corporate or unincorporated, or

- (cc) any activity carried on by a holding company for a trading group.

- (ii) "Close company" has the meaning given by sections 414 and 415 of the Act.

- (iii) "Company" means any body corporate or unincorporated association but does not include a partnership.

- (iv) "Control" in relation to a body corporate (Other than

a close company) or partnership shall be construed in accordance with section 840 of the Act and in relation to an unincorporated association shall be applied as it applies to a body corporate.

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

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

(vi) "*Ordinary annual contribution*" means for the purpose of sub-rule (B) the smaller of:

(aa) the average annual amount of the contributions paid to the Scheme by the Employers in the three accounting years of the Scheme immediately preceding the date of the borrowing or, where at that date the Scheme had been established less than 3 years, the total amount of contributions paid to the scheme by the Employers up to the end of the last accounting period divided by the number of years since the Scheme was established a part year counting as one year where the Scheme has been established less than a year, and

(bb) the amount of the annual contribution which has been advised by an Actuary in writing within the 3 years of the date the ordinary annual contribution is to be ascertained, as that necessary to secure the benefits payable under the Scheme.

(vii) "*Pensioner Trustee*" means a Trustee of the Scheme who:

(aa) is approved by the Board of Inland Revenue to act

as such, and

(bb) is not connected with a Scheme Member, another Trustee or an Employer.

(viii) "*Private Company*" means a company which is not officially listed on a recognised stock exchange within the meaning of section 841 of the Act.

(ix) "*Relative*" means a brother, sister, ancestor or lineal descendant.

(x) "*Residential Property*" means property normally used, or adapted for use as one or more dwellings.

(xi) "*Scheme Member*" means a member of the Scheme to whom benefit is currently accruing by virtue of service as an employee.

(B) For the purpose of this Rule any question of whether a person is connected with another shall be determined as follows:

(i) 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;

(ii) a Scheme Member is connected with an Employer if:

(aa) the Employer is a partnership and the Scheme Member is connected with a partner, or

(bb) the Employer is a company and the Scheme Member or any person connected with him or her is, or has been during the last 10 years, a Controlling Director of the Company;

(iii) a Company is connected with another Company if:

(aa) the same person has Control of both, or

(bb) a person has Control of one and persons connected

- with that person have Control of the other, or
- (cc) person has Control of one and that person and persons connected with that person have control over the other;
 - (dd) a Company is connected with another person if that person has Control of it or if that person or persons connected with him or her together have Control of it;
 - (ee) any two or more persons acting together to secure or exercise Control of a Company shall be treated in relation to that Company as connected one with another and with any person acting on the directions of any of them to secure or exercise Control of the Company.
- (c) For the purpose of this Rule 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.
- (d) For the purpose of this Rule a member of the Scheme includes:
- (i) a Scheme Member,
 - (ii) a person in receipt of a pension from the Scheme, or
 - (iii) a person who has been a Scheme Member.
- (II) Provisions as to borrowing
- Any power of the Managing Trustees to borrow shall be restricted so that, at the time of any borrowing, the Managing Trustees shall not have borrowed and not repaid an aggregate amount including the amount of that borrowing in excess of the total of:
- (a) three times the Ordinary Annual Contribution, and

- (b) three times the annual amount of contributions paid or payable as a condition of membership by Scheme Members in the year of assessment immediately before the borrowing takes place, and
- (c) forty five per cent of the market value of investments held for the purpose of the Scheme.

(III) Provisions as to investment

The Managing 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) Stocks or shares in a Private Company which:
 - (i) carry more than thirty per cent of the voting power in the Company, or
 - (ii) entitle the holder to more than thirty per cent of any dividends declared by the Company.

For the purposes of this Sub-rule the Managing Trustees are not regarded as holding a Residential Property where they hold as an investment units in a unit trust scheme:

- (aa) which is an authorised unit trust scheme within the meaning of Section 468(6) of the Act, or

- (bb) an exempt unit trust within the meaning of Section 96 of the Capital Gains Tax Act 1979, and
 - (cc) that unit trusts holds Residential Property as an investment.
- (IV) The Managing Trustees in that capacity shall not directly or indirectly lend money:
- (a) to a Member of the Scheme or to a person who is connected with a Member of the Scheme other than an Employer or any Company associated with an Employer; or
 - (b) to an Employer or a Company associated with an Employer unless the loan is:
 - (i) utilised for the purpose of the borrower's Business, and
 - (ii) for a fixed term, and
 - (iii) at a commercial rate of interest, and
 - (iv) evidenced by an agreement in writing which contains all the conditions on which it is made and, in particular, the provisions specified in paragraph (c);
 - (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 Benefits 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.

(V) The amount of the aggregate of:

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

shall not at the time of any lending under Sub-rule (IV) or the purchase of any shares in the Employer or a company associated with an Employer exceed fifty per cent of the market value of the total assets of the Scheme. If the lending or purchase takes place within 2 years of the establishment of the Scheme the amount shall not exceed twenty five per cent of the market value of the total assets of the Scheme excluding the value of any transfer values received.

(VI) Provisions as to transactions with members of the Scheme

The Managing 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 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 Managing Trustees.

(VII) 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.

(VIII) Provisions as to Pensioner Trustees

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

(IX) Provisions of information to the Board

- (a) Within 90 days of any transaction by the Managing Trustees, such as is specified in paragraph (b) below the Administrator will furnish the Board with such information and documents as the Board requires.
- (b) The transactions specified are:
 - (i) the acquisition or disposal of land (including buildings or other structures);
 - (ii) the lending of money to an Employer or a Company associated with an Employer;
 - (iii) the acquisition and disposal of shares in an Employer or a Company associated with an Employer;
 - (iv) the acquisition or disposal of shares in a Private Company;
 - (v) the borrowing of money; or
 - (vi) the purchase sale or lease from or to an Employer or

a Company associated with an Employer of any investment or asset.

4. BENEFITS

In this Rule the following expressions shall have the following meanings ascribed to them:

- (i) "Pensioner" means a Member who has retired from Pensionable Employment at Normal Retiring Date.
- (ii) "actuarial interest in the Fund" means that portion of the Fund notionally underpinning the provision of Pensioners or Dependant's pension benefits.

The benefits to be provided by the Policy for any Member and the further contributions payable by the Employer to provide increases in these benefits will be of such amount as the Employer in his absolute discretion subject to Rule 3 (c) shall decide.

Each Member will be notified by his Employer of the amount of contributions payable in respect of him and of the initial benefits of the Policy on his entry to the Scheme and each subsequent alteration thereof.

(A) On Retirement At Normal Retiring Date

On retirement at Normal Retiring Date a Member will be entitled subject to the limits set out in Rule 14 to the pension and spouse's or Dependents reversionary pensions provided by the Policy and any increases in these benefits which can be secured by the amount in the Member's Account.

Alternatively the Managing Trustees may apply the amount in the

Member's Account to pay to the Member all or any of the cash sum permitted under Rule 13 and either

- (I) pay the balance to the Insurer to secure for the Member Relevant Benefits which shall be subject to these Rules, or
- (II) defer the purchase of an annuity in accordance with the conditions of Rule 4(C) below.

(B) Death in Service or after Retirement

On the death of a Member whilst in service or after his retirement, his spouse or Dependant will be entitled to payment of any pension under the Policy and a lump sum payable in accordance with Rule 13 and subject to the limits in Rule 14. The lump sum will be equal to lump sum benefits under the policy and the amount in the Member's account. The balance would be either

- (I) paid to an Insurer to secure Dependant's pension which shall be subject to these Rules, or
- (II) defer the purchase of an annuity in accordance with Rule 4(C) below.

(C) Annuity Deferral

The Trustees shall, however, have the power to defer the purchase of an annuity for such Member or for any Dependant of such Member 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:

- (a) Where all Members of the Scheme and any Dependant are in receipt of pensions, the Managing Trustees shall not, directly or indirectly, make any new loans to the Employer or a company associated with the Employer or make any new investments in any stock or shares in any Private company following the first payment of pension to the last Member of the Scheme to retire. In the event that no Member reaches retirement so that only Dependents' pensions come into payment, this restriction will apply on the first payment to the final Dependant. The Managing 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.
- (b) Where the Scheme has both Members who have not retired and Pensioners and Dependents with benefits in payment whose annuity purchase has been deferred, the Actuary shall exclude each Pensioner's and Dependant's actuarial interest in the Fund when determining the proportion and the amount which may be lent to the Employer or any company associated with the Employer or used to buy stock or shares in any Private company.
- Within 5 years of the commencement of pension to new Pensioners or Dependents the Managing 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.

- (c) Where, during the period of deferral, investments held for the purposes of the Scheme include real property, the Managing 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 has attained age 70.
- (d) The amount of any new borrowing by the Managing Trustees during any period of deferral shall be restricted so that the Pensioners' and Dependents' actuarial interests in the Fund are excluded from the calculation in Rule 3(E)(II).
- (e) During the period of deferral, and whilst the pension is paid by the Managing Trustees, the Actuary shall certify the amount of pension which can be maintained by the Managing Trustees taking account of:
 - (i) in the case of a Member's pension, any contingent Dependents' pensions payable:
 - (ii) the income and assets of the Scheme, and particular those liquid assets representing the Pensioner's or Dependant's actuarial interest in the Fund.

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. Where the pension and annuity differ by 10% or more, the certificate shall include a full explanation. The initial certificate in the case of a Dependant shall compare the pension with an annuity that could have been secured at the Member's death.

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

request by the Pension Schemes Office.

- (g) A formal review of the amount of pension payable shall thereafter form part of the Schemes's triennial actuarial reviews; and the renewal certificate shall be supplied to the Pension Schemes Office with the actuarial valuation report.
- (h) The Managing Trustees shall review the suitability of annuity purchase at least on an annual basis and in connection with significant changes in available annuity rates.

5. PAYMENT OF PENSION AND ANNUITIES

(A) MEMBER'S PENSIONS

The pension of a Member shall be payable by equal monthly instalments, the first payment being made on the Normal Retiring Date or any other retiring date. This pension will be payable for 5 years certain and thereafter throughout the remainder of the Member's lifetime without proportion to date of death except that if the Member should die before 5 years' pension payments have been made, a lump sum payment, equal to the discounted value of the future payments of pension which would have been made if the pension had continued for five years certain, may be made in lieu thereof.

(B) SPOUSES PENSIONS

Spouse's and Dependant's pensions will be payable for the lifetime of the spouse or Dependant (except that where the Dependant is a child of the Member the pension will cease when the child attains age 18 or ceases to be in full-time educational or vocational training if later), the first payment being made on the death of the Member.

(C) INCREASES IN PENSIONS

Pensions will increase annually at the rate of increase notified to the Member as payable under the Scheme provided always that the increases will be restricted if necessary to ensure that the amount of pension or annuity payable will not exceed the appropriate Maximum Benefit calculated as at the date of commencement of the pension or annuity increased in proportion to the rise in the Index since the date of the commencement of the pension or annuity.

6. POSTPONEMENT OF RETIREMENT

If a Class B or Class C Member continues in the service of the Employer after Normal Retiring Date he may elect that Rule 4 shall operate at Normal Retiring Date in respect of his pension or the cash sum allowed under Rule 13 or both as if he had in fact retired at that date or he may (with the consent of the Managing Trustees and the Employer) elect that the operation of Rule 4 shall be deferred in respect of his pension or the said cash sum or both until his actual date of retirement.

If the Member with the consent of the Managing Trustees and the Employer elects to defer payment of his pension in accordance with the foregoing, the amount of his pension will be increased to the amount certified by the Actuary as appropriate, having regard to the date of retirement and the pension to which the Member was entitled at the Normal Retiring Date.

7. IMMEDIATE PENSION ON EARLY RETIREMENT

If a Member retires before the Normal Retiring Date with the consent of the Employer

(A) at or after age 50, or

(B) on account of incapacity due to permanent ill-health,

the Managing Trustees shall, at the request in writing of the Member, make arrangements to operate Rule 4 immediately to provide pension for him and spouse's pension of the reduced amounts provided by the Policy and which can be secured by the amounts in the Member's account. Such reduced pension to the Member shall commence on the date of the Member's retirement.

Pensions payable under this Rule are subject to the limits set out in Rule 14.

8. ALLOCATED PENSION TO A DEPENDANT

A Member may, by giving notice in writing to the Managing Trustees not more than six months and not less than one month prior to his retirement, elect to surrender a portion of his pension in order to provide a non-commutable and non-assignable pension to a Dependant, payable monthly during the lifetime of the spouse, commencing on his death. The amount of the Dependant's pension will depend upon the amount of pension which the Member decides to surrender and upon the ages of the Member and his Dependant at the Member's retirement.

A Member shall not be permitted to surrender so much pension that his Dependant would receive a pension which together with any other spouse's or Dependant's pension payable from the Scheme would be larger than the amount of pension remaining payable to him under the Scheme.

Once such notice of surrender has been given by the Member it may not be cancelled by him but should the Member's spouse die before the commencement of the Member's pension the notice given would automatically be cancelled and the benefits would be payable as if such notice had never been given.

9. TEMPORARY ABSENCE FROM WORK

In the event of an Active Member being temporarily absent from work, he shall remain an Active Member -

- (A) for a maximum period of three years if the absence is for reasons other than sickness or disablement; or
 - (B) until Normal Retiring Date if the absence is for reasons of sickness or disablement; or
 - (C) until his contract of employment is terminated
- whichever shall first occur.

10. TERMINATION OF MEMBERSHIP

- (A) Membership of the Scheme shall terminate
 - (I) on a Member's death; or
 - (II) on a Member's having a transfer value paid in respect of him in terms of Rule 12(A).
- (B) A Member shall cease to be an Active Member
 - (I) at the Normal Retiring Date or on early retirement in terms of Rule 7, or
 - (II) on failing to return to active employment with the Employer at the expiration of the maximum period of temporary absence as laid down in Rule 9, or
 - (III) on leaving the service of the Employer, or
 - (IV) on ceasing to be in Pensionable Employment while remaining in the service of the Employer
 - (V) by opting to leave the scheme whilst remaining in the service of the Employer

whichever shall first occur.

11. BENEFITS ON WITHDRAWAL FROM ACTIVE MEMBERSHIP

- (A) A Member whose Pensionable Service with the Employer is terminated

(otherwise than by death) before Normal Retiring Date shall be entitled to Short Service Benefit.

- (B) Short Service Benefit shall be payable in the same manner as Long Service Benefit at the Member's Normal Retiring Date or (as the case may require) his subsequent death.
- (C) Short Service Benefit shall be computed subject to the limits set out in Rule 14, as the proceeds of the Policy and the additional benefits which can be secured by the amount of the Member's account which must be paid to the Insurer to secure additional benefits at the date of termination of service or within 5 years thereafter.
- (D) Pension increases shall be added to Short Service Benefit after Normal Retiring Date at the same time and to the same extent as to Long Service Benefit.
- (E) A Member who becomes entitled to Short Service Benefit shall have the option (exercisable by notice in writing given to the Managing Trustees on termination of service or at any later time before Normal Retiring Date) of selecting in lieu thereof benefits as set out below:
 - (I) A reduced pension of any amount determined as provided in Rule 7 and payable as provided therein. The appropriate part or all of this pension may be exchanged for the cash amount certified by the Actuary as equivalent to the cash amount at Normal Retiring Date.
 - (II) An increased pension of an amount determined as provided in Rule 6 and payable as provided therein.
 - (III) Payment of a transfer value to secure additional benefits under another scheme in accordance with the provisions of Rule 12.
- (F) The provisions of Rules 15, 16, 17 and 25 relating to assignment, surrender and commutation of benefits, to charge or lien on benefits, forfeiture and related matters shall apply to Short Service Benefit in the same manner as they apply to Long Service Benefit.

- (G) Instead of being provided under the Scheme, Short Service Benefit or relevant benefits alternative thereto may if the Managing Trustees so determine be secured for the Member (subject to the consent of the Member if the benefits to be assured are alternative to Short Service Benefit) by purchase of a non-assignable policy of assurance or annuity contract in the name of the Member from the Insurer, provided that no annuity contract shall be purchased from an overseas branch or agency of an insurance company (whether incorporated in the United Kingdom or not) and subject to the right of the Member (a) to request the Managing Trustees to purchase as aforesaid and (b) to nominate the Insurer.

Such policy or annuity contract will be endorsed to show

- (I) that it is non-assignable and except to the extent hereinafter provided non-commutable, and
- (II) in monetary terms the extent to which cash may be taken at Normal Retiring Date and any lump sum payment which may be payable on his death, and
- (III) that in exceptional circumstances of serious ill-health of the Member and subject to approval by the Board if the Aggregate Pension does not exceed £260 per annum (or any higher amount which may be prescribed from time to time by regulations made under paragraph 15 (4) of Schedule 16 to the Social Security Act 1973 and section 39 (1) of the Social Security Pensions Act and is consistent with approval of the Scheme under Chapter I of Part XIV of the Taxes Act) all of the pension may be commuted for a lump sum subject to the deduction by the Insurer and satisfactory arrangements for the payment to the Board of such tax as may be chargeable thereon, and
- (IV) that by prior arrangement with the Insurer in lieu of the normal pension secured under such policy or contract at the Normal

Retiring Date there shall be payable at an earlier or later date a pension of such amount as shall in consideration of the different date of commencement be equal in value to such normal pension provided always that no pension shall commence to be payable earlier than the Member's 50th birthday except on account of incapacity arising through permanent ill-health or later than the Normal Retiring Date unless the Member can establish that he is still in employment and then not later than the attainment of age 70 and provided also that if a pension is to be payable before the Normal Retiring Date other than as a result of the incapacity of the Member the amount of the lump sum referred to in paragraph (ii) above as payable in commutation of part or the whole of the pension at Normal Retiring Date shall be appropriately discounted in respect of the earlier payment.

- (H) On the determination of the Scheme, Members then in service before Normal Retiring Date shall be entitled to Short Service Benefit as if the service had then terminated and the provisions of Rule 23 shall apply provided that:
 - (I) Short Service Benefits in course of payment shall be subject to the same degree of priority as Long Service Benefits in course of payment, and
 - (II) The Managing Trustees shall be entitled to make transfer payments to another scheme without the consent of the Members concerned if such scheme is a scheme of the Employer.
- (J) On the death of a Member entitled to Short Service Benefit before such benefit becomes payable there shall be payable any pension under this Policy in respect of his spouse or Dependant and a lump sum in accordance with Rule 4(B) and subject to the limits in Rule 14 equal to the lump sum benefits payable under the Policy and the amount in the Member's Account.

12. TRANSFER OF PENSION RIGHTS

(A) A Member who becomes entitled to Short Service Benefit shall have the option of requesting that as an alternative to Short Service Benefits being secured within the Scheme the value of the Policy shall be applied either:-

(I) as a transfer value to a pension scheme or arrangement of which he has become a member being a scheme approved under Chapter I Part XIV of the Act or an arrangement specifically approved for the purposes of this Rule by the Board. The Managing Trustees will ascertain from the trustee or administrator of the receiving scheme the Section and act under which it is approved by the Board. The Managing Trustees will provide the administrator with any relevant information he may request and, in particular where a transfer has been accepted under (B) below, will advise him of any restriction on the amount of contributions paid by the member that may be refunded which have been certified by the trustee of the scheme from which the transfer was received. When, on or after a transfer having been made to another occupational pension scheme, the administrator of that scheme requests a certificate showing the maximum lump sum payable from that transfer value, the Administrator shall calculate as at the date of transfer the maximum lump sum payable on retirement from the transfer value and certify that amount to the receiving scheme.

(II) as the consideration for a contract with an Insurer to secure benefits in the name of the Member and, if appropriate his spouse, which satisfies the requirements imposed by regulation 2(2)(b) of the Occupational Pension Schemes (Transfer Values) regulations 1985 (SI1985 No. 1931) and which is in a form approved by the Board for the purposes of section 591(2)(g) of the Act. The consideration will be transferred direct from the

Insurer to the relevant Insurer.

(III) as a transfer value to a personal pension scheme approved under Chapter IV Part XIV of the Act. 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 a Controlling Director or in respect of annual remuneration in excess of £60,000 or, if greater, the allowable maximum (i.e. the equivalent for personal pension schemes of the Permitted Maximum) for the year of assessment in which date the transfer falls, or
- (c) is entitled to benefits included in the transfer payment which arose from an occupational scheme under which the normal retirement age is 45 or less.

(B) If a Member-

- (I) has been a member of another retirement benefits scheme approved under the Chapter I Part XIV of the Act or approved for the purposes of this Rule by the Board, or
- (II) has contributed to a personal pension scheme approved under Chapter IV Part XIV of the Act or a Retirement Annuity Contract approved under Chapter III part XIV of the Act, or
- (III) holds a deferred annuity contract securing benefits which have accrued by virtue of membership of such a scheme as is described in paragraph (I) of this Rule, the Managing Trustees may accept

a transfer value therefrom, which shall be applied to secure further benefits for the Member in accordance with these Rules provided that:

- (a) only such part of the transfer from a retirement benefits scheme shall be treated as contributions paid by the Member as was so certified by the administrator of the other scheme,
- (b) the Managing Trustee shall pass on in any subsequent transfer to another scheme any restriction certified by the administrator of the scheme making the transfer payment as to the amount of the contributions paid by the Member that may be refunded,
- (c) in respect of a Class B or Class C Member, any retirement benefits arising by virtue of the receipt by the Scheme of a transfer value (other than from another scheme providing benefits in respect of Service) shall not be capable of commutation unless and then only to the same proportionate extent that the certificate has been obtained from the administrator of the transferring scheme showing the maximum lump sum payable from the transfer value. 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 benefits arising on retirement from a transfer value shall not be capable of commutation nor shall they be paid in lump sum form if the transfer is accompanied by a certificate from the administrator of the transferring scheme to the effect that the transfer value is not to be used to provide benefits in lump sum form.

The foregoing Rule shall be subject to any undertakings given by

the Administrator to the Board.

13. COMMUTATION OF PENSION

Except as provided herein, a Member's pension under the Scheme must be taken in the form of a non-commutable , non-assignable pension. Commutation of a Member's pension (other than a pension secured by voluntary contributions) for a cash payment will, however be permitted (with the consent of the Managing Trustees and the Employer) within the following limits.

- (A) A Member whose pension payments commence at Normal Retiring Date may at that date take in commutation of pension the cash payment certified by the Actuary as appropriate in accordance with the table agreed from time to time with the Board, provided that the portion of pension which the Member can commute will be restricted if necessary to ensure that the aggregate total of lump sum benefits and benefits not in pension form from all schemes of the Participating Employers (or to which they contribute or have contributed) or which have been received or receivable from all previous employments except such lump sums and refund of contributions as the Board agree may be ignored shall not exceed one and one half times the Member's Final Remuneration or such smaller amount as may be necessary to ensure that approval of the Scheme for the purposes of Chapter I of Part XIV of the Taxes Act is not affected.
- (B) A Member who retires before Normal Retiring Date or who ceases to be an Active Member in accordance with Rule 10 (B) (II) or (III) may, at the date when pension payments are due to commence, take in commutation of pension the cash payment certified by the Actuary as appropriate in accordance with the table agreed from time to time with the Board, provided always that the lump sum

and benefits not in pension form from all schemes of the Participating Employers (or to which they have contributed) shall not exceed $\frac{3}{80}$ ths of Final Remuneration for each year of service up to a maximum of 40 years or such greater amount as is agreed by the Board of Inland Revenue provided always that the amount of the cash payment shall be restricted where necessary to such smaller amount as will not prejudice approval of the Scheme under Chapter I of Part XIV Taxes Act.

(C) A Member who continues in the service of the Employer after Normal Retiring Date may elect to take in commutation of pension the cash payment certified by the Actuary as appropriate in accordance with the table agreed from time to time with the Board of Inland Revenue either

(I) on the Normal Retiring Date in which case the portion of pension which the Member can commute will be restricted if necessary to ensure that the cash sum secured thereby does not exceed the maximum cash payment which would have been permitted in accordance with (A) above if he had retired at Normal Retiring Date; or

(II) on the date of his actual retirement in which case the amount payable will not exceed the maximum cash payment which would have been permitted in accordance with (A) above if he had retired at Normal Retiring Date increased by the amount certified by the Actuary as appropriate having regard to the date of retirement

Provided always that for a Controlling Director who elects at Normal Retiring Date to defer payment of all his benefits no increase in the cash payment will be allowed before age 70 which would cause the cash payment in (A) above to be exceeded except to the extent allowed by the substitution of the words "actual

retiring date" for the words "Normal Retiring Date".

- (D) Notwithstanding paragraphs (A), (B) and (C) of this Rule in exceptional circumstances of serious ill-health which the Managing Trustees will decide subject to the agreement of the Board or if the Aggregate Pension is less than £260 per annum (or any higher amount which may be prescribed from time to time by regulations made under paragraph 15 (4) of Schedule 16 to the Social Security Act 1973 and section 39 (1) of the Social Security Act and is consistent with approval of the Scheme under Chapter I of Part XIV of the Taxes Act) then the whole pension may at the date when pension payments are due to commence be commuted for a cash sum in accordance with the table agreed from time to time with the Board.

The provisions of Rule 27 shall apply to cash payments made in accordance with (D) of this Rule to the extent that they exceed the maximum amounts which could have been paid under (A), (B) or (C) of this Rule.

Other than in exceptional circumstances of serious ill-health commutation of pension for a cash sum can be permitted on one occasion only and that not later than the date of actual retirement.

Notwithstanding the preceding provisions, the amount of the maximum cash payment payable to a Controlling Director shall be reduced, where necessary for approval of the Scheme, so as to take account of any corresponding benefit of either a retirement annuity contract approved under Chapter III Part XIV of the Act or a personal pension scheme approved under Chapter IV of Part XIV of the Act.

14. MAXIMUM BENEFITS

(A) Notwithstanding anything to the contrary in the Rules the benefits payable to a Class A Member, or his Dependants 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.

(a) The Member's Aggregate Retirement Benefit shall not exceed:-

- (i) 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 $\frac{1}{60}$ th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- (ii) 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 Retiring Date in accordance with paragraph (a) (i) above; Final Remuneration being computed as at the actual date of retirement;
- (iii) on leaving Pensionable Service before attaining age 75, a pension of $\frac{1}{60}$ th 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 by 5% for each complete year (or if greater, 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. Any further increase necessary to comply with Department of Social Security requirements is also allowable.
- (iv) 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 $\frac{1}{30}$ th of the Permitted Maximum for each year of service, subject to a maximum of $\frac{20}{30}$ ths. 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.

- (v) For the purpose of calculating the Aggregate Retirement Benefit or the total retirement benefit in (i) to (iv) above, the pension equivalent of any Lump sum Retirement Benefit is one twelfth of its total cash value.
- (b) The Member's Lump Sum Retirement Benefit shall not exceed:-
- (i) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Retiring Date on grounds of Incapacity, $\frac{3}{80}$ th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
 - (ii) on retirement at any time before Normal Retiring Date on grounds of Incapacity the amount which could have been provided at Normal Retiring Date in accordance with paragraph (b) (i) above; Final Remuneration being computed as at the actual date of retirement;
 - (iii) on leaving Pensionable Service before attaining age 75, a lump sum of $\frac{3}{80}$ ths 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.

- (c) The lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon) payable on the death of a Member while in Service or (having left Service with a deferred pension) before the commencement of his pension shall not, when aggregated with all like benefits under Associated Schemes, exceed the greater of:-
 - (i) £5,000, and
 - (ii) 4 times Final Remuneration but excluding proviso (i) of that Definition less any Retained Death Benefits if the aggregate of such lump sums exceeds £1,000.
- (d) 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 -
 - (i) being paid to the Member at the date of his death (including pension increases), or
 - (ii) being a deferred benefit payable to the Member at any time between attaining age 50 and attaining age 75, or
 - (iii) prospectively payable to the Member who dies in Service had he remained in Service up to the Normal Retiring Date at the rate of pay, subject to the Permitted Maximum, in force immediately before his death, or
 - (iv) prospectively payable to the Member who dies in Service after Normal Retiring 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 (i), (ii), (iii) or (iv) above or such greater sum as will not prejudice Approval.

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

(B) Notwithstanding anything to the contrary in the Rules, the benefits payable to a Class B or Class C Member or his spouse, Dependents 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.

(I) The Member's Aggregate Retirement Benefit shall not exceed:-

- (a) on retirement at or before Normal Retiring Date, a pension of $\frac{1}{60}$ th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice Approval.
- (b) on retirement at any time before Normal Retiring Date on grounds of Incapacity a pension of the amount calculated in accordance with paragraph (I) (a) above as if the Member had remained in Service until Normal Retirement Date, Final Remuneration being computed as at the actual date of retirement.
- (c) on retirement after Normal Retiring Date, a pension of the greatest of:-
 - (i) the amount calculated in accordance with (I) (a) above on the basis that the actual date of retirement was

the Member's Normal Retiring Date.

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

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

- (d) on leaving Pensionable Service before Normal Retiring 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 which has occurred) 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.

(II) The Member's Lump Sum Retirement Benefit shall not exceed:-

- (a) on retirement at or before Normal Retiring 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 Retiring Date on grounds of incapacity the amount calculated in accordance with paragraph (II) (a) above as if the Member had remained in Service until the Normal Retiring Date, Final Remuneration being computed as the actual date of retirement;
- (c) on retirement after Normal Retiring Date, the greatest of:-
 - (i) the amount calculated in accordance with paragraph (II) (a) above on the basis that the actual date of retirement was the Member's Normal Retiring Date,
 - (ii) the amount which could have been provided at Normal Retiring Date in accordance with paragraph (II) (a) above together with an amount representing interest thereon, and
 - (iii) where the Member's total Service has exceeded 40 years, the aggregate of $\frac{3}{80}$ ths of Final Remuneration for each year of Service before Normal Retiring Date (not exceeding 40 such years) and of a further $\frac{3}{80}$ th of Final Remuneration for each year of Service after Normal Retiring Date, with an overall maximum of 45 reckonable years.

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

- (d) on leaving Pensionable Service before Normal Retiring Date, a lump sum of $\frac{3}{80}$ ths 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.

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

- (a) £5,000, and
- (b) 4 times the greater of the annual rate of the Member's remuneration at the date of his death and Final Remuneration but excluding proviso (I) of that Definition less any Retained Death Benefits if the aggregate of such lump sums exceeds £1,000.

(IV) 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), or
- (b) being a deferred benefit payable to the Member at Normal Retiring Date, or
- (c) prospectively payable to the Member who dies in Service had he remained in Service up to the Normal Retiring 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 Retiring 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 the Aggregate Retirement Benefit under (a), (b), (c) or (d) above or such greater sum as will not prejudice Approval.

- (V) The maximum amount of a pension ascertained in accordance with this Rule less any pension which has been commuted for a lump sum or surrendered to provide a Dependant's pension may be increased by 3% for each complete year (or, if greater, in proportion to the increase in the Index which has occurred) since the pension commenced to be paid.
- (VI) If a Member elects to take any part of his benefits under this Scheme in advance of actual retirement, the limits set out in paragraphs (I) and (II) above shall apply as if he had retired as at the date of the election as aforesaid, no account being taken of subsequent Service, save that the maximum amount of any uncommuted pension not commencing immediately may be increased either actuarially during the period of deferment or in proportion to any increase in the Index during that period.
- (VII) The preceding provisions of this Rule shall be modified in their application to a Member who is or has been a Controlling Director as follows:-
 - (a) the amount of the maximum Aggregate Retirement Benefit in paragraph (I) and of the maximum Lump Sum Retirement Benefit in paragraph (II) shall be reduced, where necessary for Approval, so as to take account of any corresponding benefits under retirement annuity contracts or trust

schemes approved under Chapter III Part XIV of the Act or a under personal pension scheme approved under Chapter IV Part XIV of the Act,

(b) where retirement takes place after Normal Retirement Date but not later than the Member's 70th birthday, paragraph (I) (c) (ii) and (iii) and paragraph (II) (c) (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;

(c) where paragraph (IV) 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.

15. BENEFITS UNDER SCHEME NOT ASSIGNABLE

All benefits payable under these Rules are strictly personal and alimentary and are not capable of being assigned, charged or alienated in any manner whatsoever nor are such benefits subject to the debts or obligations of the Member or annuitant or liable to be attached by process of law or otherwise. In the event of any Member or annuitant assigning, charging or alienating or attempting to assign, charge or alienate his benefits or any part thereof or his prospective right to benefits or his interest in the Scheme, his right to any benefits under the Scheme shall be forfeited but the Managing Trustees shall have the power in cases where hardship would otherwise arise to make future payments for the benefit of the Member or his spouse, children

under age 18 or any other person who in the opinion of the Managing Trustees is financially dependent on the Member in such manner as they shall in their absolute discretion think fit. The Managing Trustees shall not be bound by any notice of any assignment charge or alienation of any benefits under the Scheme and shall not make any payments by virtue of an assignment.

16. BANKRUPTCY OR INCAPACITY OF A MEMBER OR PENSIONER

- (A) In the event of a Member or annuitant being made or adjudged bankrupt or making any arrangements or composition with or signing a trust deed for behoof of his creditors, the Member or annuitant shall forfeit all rights to any benefits under the Scheme and Sub-rule 16 (C) shall then apply.
- (B) In the event of a Member or annuitant having a Receiving Order made against him or becoming mentally defective or being certified as insane or suffering from any physical or mental incapacity which in the opinion of the Managing Trustees renders him unable to manage his affairs his benefits under the Scheme shall be held by the Managing Trustees and applied in accordance with Sub-rule 16 (C)
- (C) In cases outlined in Sub-rules (A) and (B) the Managing Trustees shall have the power to receive further contributions in respect of the Member and shall apply all or any of the sums due under the Scheme, to which the Member or annuitant is entitled or would otherwise have been entitled, for the benefit of the member, his spouse, his children under age 18 or any other person who in the opinion of the Managing Trustees is financially dependent on the Member or annuitant in such manner as they shall in their absolute discretion think fit.

17. PAYMENTS OF BENEFITS

- (A) All sums due under the Rules shall be payable at the Registered Office

of the Employer or at such other place as the Managing Trustees may direct.

- (B) Any lump sum payable from the Scheme on the death of a Member may be paid or applied by the Managing Trustees to or for the benefit of such one or more of the Member's Dependants as the Managing Trustees may within a period of twelve months after the Member's death select but if the Managing Trustees do not exercise this power or exercise the power in respect of part only of the whole lump sum which becomes due after the Member's death, the whole or the remaining part, as the case may be, shall be held by the Managing Trustees on trust to pay or apply the same to or for the benefit of the Member's Dependants, or any one or more of them, or to pay the same to the Member's executors or administrators all as the Managing Trustees in their absolute direction think fit, except that if a Controlling Director dies in service on or after age 75, the benefits due under the Scheme shall be paid to the surviving spouse, or in the absence of any surviving spouse, to the legal personal representatives. If a Member's earnings in the first year of employment following entry into the scheme do not exceed one quarter of the Permitted Maximum and the Member is not a Controlling Director, then any retained benefits may be ignored for the purposes of calculating the lump sum.

A lump sum payable in terms of the foregoing may not be held by the Managing Trustees for a period exceeding two years from the date of the Member's death.

18. EVIDENCE OF AGE, HEALTH, ETC

Each Member and other annuitant shall upon the request of the Managing Trustees, furnish such evidence of age, marriage, health, existence or identity in respect of himself and his spouse, his Dependants or children (if applicable) as may be required by the Managing Trustees

from time to time. The executors or administrators of a Member and other annuitant shall, upon the request of the Managing Trustees, furnish such evidence of the age, death and title of the Member and of their own title as may be required by the Managing Trustees.

19. MANAGEMENT OF SCHEME

(A) TRUSTEES

The Trustees shall have and be entitled to exercise all powers rights and privileges requisite or proper to enable them to carry out all or any transactions, acts or deeds in anywise arising under or in connection with the Declaration of Trust and the Rules. Save as otherwise provided in the Rules, the consent or concurrence of the Employer or the Members of the Scheme or any of them shall not be necessary in connection with the giving of any receipt or discharge or the making of any payment or the doing of any act by the Trustees in the exercise of their powers as Trustees. Persons transacting business with the Trustees shall have no duty and no right or title to enquire as to the application of moneys paid by them to the Trustees and shall be completely discharged by the receipt of the Trustees for the same.

No decision of or exercise of a power by the Trustees shall be invalidated or questioned on the ground that the Trustees or any of them had a direct or other personal interest in the mode or result of such decision or of exercising such power. Until the Principal Employer shall otherwise determine by the execution of the appropriate deed, the number of Managing Trustees shall not be fewer than three. The Managing Trustees for the time being though less than three in number may exercise all powers and discretions conferred upon them under the Declaration of Trust and the Rules, except that all of the Trustees must agree in implementing the conditions of Rule 23 on

Determination of the Scheme.

The power of appointing new Trustees shall be vested in the Principal Employer who may at any time and from time to time by the execution of the appropriate deed appoint additional Trustees hereof or remove from office any Trustee or appoint a new Trustee in place of any Trustee who had died or has been removed or has retired from office or become disqualified under the provisions hereinbefore contained or become incapable of acting.

The Special Trustee shall have the additional power to retire without the consent of the Managing Trustees or the Principal Employer by executing an appropriate deed. Delivery of the deed to the registered office of the Principal Employer shall discharge the Special Trustee from the trusts of the Scheme.

Without prejudice to the powers and discretion vested in the Trustees by the other provisions hereof, no Trustee shall, in the exercise of his rights and duties hereunder, incur any personal responsibility or be liable for any act or omission in connection herewith except a breach of trust knowingly and intentionally committed by him. The Employers shall indemnify the Trustees and each of them against all claims, costs, damages and expenses which they may pay or incur in connection with carrying out the trusts of these presents or generally with anything herein contained save only against all claims against a Trustee in respect of any breach of trust knowingly and intentionally committed by him.

The Special Trustee shall be entitled to charge and be paid fees or remuneration for services as a Trustee at such rate to be agreed from time to time between the Special Trustee and the Principal Employer. The Managing Trustees hereby undertake to exercise their powers in respect of evidence of age, health, existence or identity at any time on the request of the Insurer.

The Managing Trustees shall keep such account, entries, registers and records as are necessary for the proper working of the Scheme and shall arrange for the said accounts to be audited annually by a qualified Accountant. The Managing Trustees shall be entitled from time to time to consult and obtain the advice of any qualified actuary.

The Managing Trustees shall at intervals of not less than three years cause the financial condition of the Scheme to be investigated by the Actuary who shall have access to all necessary accounts and documents and shall be supplied with all such information as he may require relating to the Scheme and the Actuary shall report to the Managing Trustees and to the Principal Employer in writing on the financial condition of the Scheme and on the contributions which are required to maintain the benefits.

(B) ADMINISTRATION

The administration and management of the Scheme shall be vested in the Managing Trustees. The Managing Trustees shall elect one of their number as Chairman of their meetings and shall determine the period for which he is to hold office. The Managing Trustees shall appoint a Secretary who may be one of their own number and shall meet at such times and such place as they shall decide and shall make such regulations for the conduct of their business and all other matters in connection with their work as they shall decide. A special meeting may be requested by any one of the Trustees and shall be called by the Secretary at the discretion of the Trustees or any of them.

Two of the Trustees present at any meeting shall form a quorum. At every meeting of the Trustees all questions shall be decided by the votes of the Trustees present taken by a show of hands. In the case of equality of votes the Chairman of the meeting shall have a second or casting vote. Notwithstanding the foregoing all of the Trustees

must agree in implementing the conditions of Rule 23 on Determination of the Scheme.

The decision of a majority of the Trustees at any of their meetings in respect of any matter within the powers or duties of the Trustees shall be conclusive and binding on all parties whatsoever and all persons whomsoever and shall not be questioned on any ground whatsoever, except that all of the Trustees must agree in implementing the conditions of Rule 23 on Determination of the Scheme.

The Managing Trustees may from time to time in writing authorise any one or more of their number to endorse and sign cheques and to operate generally bank account or bank accounts of the Managing Trustees.

The Managing Trustees may from time to time in writing authorise such person or persons whether a Managing Trustee or Managing Trustees or not as they think fit to give receipts and discharges for any moneys or other property payable, transferable or deliverable to the Managing Trustees or any of them and every such receipt or discharge shall be as valid and effectual as if it were given by the Managing Trustees. The expenses incidental to the management of the Scheme shall be paid by the Employers.

20. ALTERATION OF RULES

Subject to the provisions of Rule 21 the Trustees may at any time and from time to time with the consent of the Principal Employer by a further Declaration of Trust made between the Principal Employer, every other Employer which shall have entered into a participation agreement with the Trustees which is still in force and the Trustees but not otherwise, alter, amend or add to all or any of the Rules provided that no such alteration, amendment or addition shall result in;

(A) the rights or interest of any Member or deceased Member or other

annuitant in benefits secured before the date of alteration, amendment or addition being affected adversely;

- (B) payment to the Participating Employers of any part of the funds of the Scheme held by the Managing Trustees except as provided in the Rules.

The Managing Trustees shall notify each Member of all such alterations, amendments or additions.

21. REDUCTION, SUSPENSION OR TERMINATION
OF EMPLOYER'S LIABILITIES

If any of the Participating Employers gives one month's notice in writing to the Managing Trustees of its intention to reduce, suspend or terminate its liabilities under the Scheme, the Managing Trustees shall thereupon notify each Member or other annuitant who is entitled to benefits in respect of service rendered or deemed to be rendered to the Participating Employer which has given such notice of the purport and effect thereof. Any failure to give such notification to the Members or other annuitants shall not affect or prejudice the operation of such notice. Upon the expiration of such notice the liabilities of the aforesaid Participating Employer shall be reduced, suspended or terminated to the extent therein defined except in respect of payments due on or before the date of expiry of such notice. In the event of any of the Participating Employers so terminating its liabilities, the Scheme shall thereupon stand determined to the extent to which it provides benefits for the Members or other annuitants concerned and the provisions of Rule 24 shall thereupon apply in respect of these Members and other annuitants and in respect of such portion of the Trust Fund as shall be determined by the Actuary to be appropriate having regard to the contributions paid or deemed to have been paid by the Participating Employer which

has terminated its liabilities and by such Members provided always that if notice be given by the Principal Employer of its intention to terminate its liabilities under the Scheme, all the other Participating Employers shall be deemed to have joined in giving notice, unless another of the Participating Employers agrees to become the Principal Employer.

22. LIQUIDATION OF THE EMPLOYER

In the event of any of the Participating Employers at any time going into liquidation, the liabilities under the Scheme of such Participating Employer shall be terminated except in respect of payments due on or before the date of such liquidation and the Scheme shall thereupon stand determined to the extent that it provides benefit in respect of the Members who are entitled to them in respect of service rendered to such Participating Employer and the provisions of Rule 23 shall thereupon apply in respect of such Members and in respect of such portion of the Trust Fund as shall be determined by the Actuary to be appropriate having regard to the contributions paid or deemed to have been paid by such Participating Employer and by such Members. Provided always, that in the event of any such liquidation being for the purposes of or incidental to reconstruction, reconstitution, or amalgamation with any other company, the Trustees may make such arrangements or enter into such agreements as they in their absolute discretion think fit for the continuance of the Scheme in connection with such reconstructed, reconstituted or amalgamated company as if such reconstructed, reconstituted or amalgamated company were in fact one of the Participating Employers and provided that no such arrangements or agreements shall operate in such a manner that any Member or the Beneficiaries of any deceased Member shall benefit to an extent less than if the Scheme had been so determined on the

date of such liquidation, or that funds held by the Trustees from time to time cease to form a fund or part of a fund capable of Approval. Further provided that if the Principal Employer shall go into liquidation the Scheme shall thereupon stand determined unless such liquidation be for the purposes of or incidental to reconstruction, reconstitution or amalgamation and the Trustees shall make such arrangements or agreements for the continuance of the Scheme as aforesaid or another of the Participating Employers agrees to become the Principal Employer.

23. DETERMINATION OF THE SCHEME

In the event of the Scheme at any time being determined whether in whole or in part the Trustees shall notify each Member and other annuitant whose benefits and contributions are affected by such determination.

The Trust Fund held by the Trustees to meet the liabilities under the Rules in respect of such Members and other annuitants shall, after payment of all costs, charges and expenses which may then be owing, be applied by the Trustees for the benefit of Members and other annuitants in the following manner:-

FIRSTLY - The Trustees shall purchase from the Insurer individual non assignable and non-commutable (except as herein provided) annuity bonds for each Member and for the spouse children or Dependants of each deceased Member who are in receipt of pensions or annuities on the date of termination and for each Member who is entitled to retire on the date of termination. An annuity bond which is issued to secure a Member's own pension in terms of the foregoing shall also secure the spouse's pension children's or Dependants pension (if any) payable on the Member's death. Such annuity bonds shall, as far as is possible, confer pensions and annuities of the same amounts and with the same

rights, if any, with regard to commutation of pension and payments after the Member's death as and in lieu of pensions and annuities payable under this Scheme.

SECONDLY - The Trustees shall provide in a like manner for benefits not included in the foregoing which shall have arisen in respect of any Member from benefits and rights conferred under Rule 12(B).

THIRDLY - The Trustees shall, as far as is possible, provide in a like manner for

- (A) the pension of each Member for whom full provision has not already been made, and
- (B) the Spouse's or Dependant's pension (if any) payable on death of a Member either after retirement or after Normal Retiring Date but before actual retirement for which provision has not already been made,

all of such pensions being calculated only in respect of the Member's service with the Employers prior to the date of termination. Provided always that the Member's pension described in the preceding paragraphs (SECONDLY) and (THIRDLY) shall not be payable earlier than age 50 except in the case of incapacity due to permanent ill-health as to which the decision of the Trustees shall be conclusive.

FOURTHLY - Any balance remaining thereafter may be applied to increase the pension conferred upon the Members and the pensions and annuities conferred upon their spouses children or Dependents (if applicable) under this Rule to such extent as the Trustees may, with the approval of the Actuary, decide, provided always that the pensions will not be increased to such amount as would prejudice the approval of the Scheme under the Act and any surplus arising thereafter shall at the advice of the Actuary be apportioned to the Employers. Any such refund to the Employers will be subject to tax under Section 601 of the act and will require the prior approval of the Board.

Notwithstanding the foregoing paragraphs of this Rule;

- (I) if this Rule becomes operative by reason of the happening of any of the events described in Rule 21 the Trustees may in their absolute discretion subject to the agreement of the Board and to such amendments or conditions as the Board may require decide that the operation of the provisions of this Rule on the whole or any part of the Trust Fund shall be deferred in which event the Trustees shall continue to hold the Trust Fund or the said part thereof upon the trusts declared by the Declaration of Trust and the Rules and administer the same as a closed fund with no further liability on the Employer to subscribe thereto until such date as the Trustees may fix or until the Trust Fund shall be exhausted. If this Rule becomes operative by reason of the happening of any of the events described in Rule 22 and there is no successor company appointed as Principal Employer then the Scheme shall be determined and the whole or the part of the Trust Fund shall be applied by the Trustees in accordance with the foregoing paragraphs.
- (II) to the extent that the Trustees shall have prior to the date of determination invested the Trust Funds or part thereof in Policies annuity bonds or assurance policies, the Trustees may make such arrangements as may be appropriate in connection with such Policies annuity bonds or assurance policies or any of them to secure the payment of the benefits to be provided in terms of the foregoing paragraphs of this Rule.

24. PARTIAL TRANSFER OF THE SCHEME

In the event of any of the other Participating Employers ceasing to be associated in business with the Principal Employer to such an extent that its continued participation in the Scheme would prejudice

approval of the Scheme by the Board under Chapter I of Part XIV of the Taxes Act, the Scheme shall thereupon stand determined to the extent that it provides benefits in respect of service rendered by Members to such Participating Employer, and the provisions of Rule 23 shall thereupon apply. Notwithstanding the foregoing provision, if any such Participating Employer (hereinafter called "Seceding Employer") should wish to retain its interest in the assets of the Scheme for the benefit of such Members, such Seceding Employer may if within a period of twelve months from the date of such cessation or such longer period as may be specifically agreed by the Board it has established or is participating in a separate pension scheme approved under the Taxes Act or any other fund, scheme or arrangement approved for the purposes of this Rule by the Board make application to the Trustees for a transfer of the whole interest of such Members to trustees or managers on behalf of that separate pension scheme in accordance with the provisions of Rule 12. In that event the appropriate portion of the assets of the fund applicable to the said Members shall be fixed on the advice of the Actuary and shall when the said separate pension scheme is approved as aforesaid be transferred by the Trustees to the trustees or managers of the said pension scheme

PROVIDED ALWAYS that if in respect of the part of the Trust Fund invested in Policies annuity bonds or assurance policies

- (A) such transfer shall be subject to the approval of the Insurer, and
- (B) the Trustees shall have power with the approval of the Principal Employer instead of transferring the appropriate portion of the assets as aforesaid to enter into any arrangement with the Insurer concerned whereby such Insurer shall be released from all liability to pay any benefits under the whole or any part or parts of any such Policies annuity bonds or assurance policies

in consideration of such Insurer agreeing to issue fresh annuity bonds or assurance policies or a fresh annuity bond or assurance policy to the trustees or managers for the time being of such separate pension scheme or to amend an existing Policy annuity bond or bonds or assurance policy or policies issued by such Insurer to such other trustees or managers in order to secure to such other trustees or managers benefits similar to and in substitution for those benefits in respect of which the Trustees shall have released such Insurer from liability as aforesaid.

The provisions of this Rule relating to partial transfer of the Scheme shall subject to the aforesaid conditions also be available in respect of any Participating Employer which under Rule 21 is deemed to have joined in giving notice of its intention to terminate its liabilities in which event the previous reference in this Rule to the "date of such cessation" shall be construed as a reference to the date on which a Participating Employer under Rule 21 is deemed to have joined in giving notice of its intention to terminate its liabilities.

Thereafter upon the completion of the said transfer or arrangement with such Insurer the whole interest of the Seceding Employer and of the said Members in the Scheme shall cease and determine and the Trustees acting on behalf of the Scheme shall be deemed to be discharged as far as their responsibility to the Seceding Employer or such Members is concerned.

25. SAVING AS TO THE EMPLOYER'S RIGHTS

The interest of a Member under the Scheme, excepting benefits secured by transfer from another scheme shall stand charged with all sums owing in respect of losses caused to the Employer and arising out of a criminal, negligent or fraudulent act or omission by the Member subject to the following conditions:-

- (A) The amount recovered must not be greater than the amount of the debt, nor greater than the actuarial value of the Member's actual or prospective benefits at the time, with the balance (if any) of benefits being dealt with in accordance with the Rules.
- (B) The Member must be given a certificate showing the amount recovered and its effect on his benefits.
- (C) In the event of a dispute about the amount due, the Employer must not exercise the lien until the debt has become enforceable under a court order, or the award of an arbitrator.

Nothing in the Rules or in the Declaration of Trust shall restrict in any way whatsoever the rights of the Employer to determine the employment of a Member, or entitle such Member to any compensation in respect of such determination.

26. DISPUTES

Except as otherwise provided by the Rules, all disputes or questions as to the construction, meaning, effect or application of the Rules or any of them or as to the rights, duties and liabilities of any Member or of his spouse or children or Dependants and all other disputes or questions whatsoever arising out of or in connection with the Scheme shall be determined by the Managing Trustees.

27. INCOME TAX ON SUMS PAID IN LIEU OF PENSION

Where a Member's contributions are repaid to him during his lifetime or where a lump sum is paid in commutation or in lieu of pension, the Managing Trustees shall be entitled to deduct therefrom a sum equal to any tax payable by them in consequence of such repayment or payment.

28. MEMBERS BOUND BY RULES AND DECLARATION OF TRUST

Each Member shall be bound by the Rules and the provisions of the Declaration of Trust. Each Member may inspect a copy of the original Declaration of Trust and Rules at reasonable times at the Registered Office of the Principal Employer.

29. 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.

30. PAYMENT OF BENEFITS

In relation to a Member, other than a Member with Continued Rights, the Scheme provisions shall have effect (notwithstanding anything in them to the contrary) as if they provided:-

- (A) that the 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 the Member's benefit shall be paid in advance of actual retirement or leaving service except to such extent as may be necessary to comply with Department of Social Security requirements.

31. RETURN OF SURPLUS ADDITIONAL VOLUNTARY CONTRIBUTIONS

Where the application of the limits in Rule 14 requires the quantum of the Aggregate Retirement Benefits to be restricted and the Member has paid additional voluntary contributions to supplement the 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 Act. The Administrator of the Scheme shall comply with the requirements of Regulation 5 of The Retirement Benefits Schemes (Restriction on 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.

32. CONTINUED RIGHTS

A Class B Member or Class C Member has the option, exercisable at any time before benefits commence, are bought-out or otherwise transferred outside the Scheme, or attainment of age 75 whichever first occurs, to be granted benefits on the basis that he is and always has been a Member without Continued Rights. A Member who exercises this option ceases to be entitled to Continued Rights.

ALEXANDER CHAPEL ASSOCIATES LIMITED
DIRECTORS' PENSION SCHEME

ACCOUNTS

31ST JULY, 2007

PENSIONER TRUSTEE:

MEMBER TRUSTEES: J.M. Church,
M.S. Docherty
P.J. Hyland
S.A. Travis
c/o 6, Berkeley Square,
Clifton,
Bristol.
BS8 1HG.

ACTUARY: Grove Park Consultants
20 Ashbourne Road
Blackbrook
Derbyshire DE56 2LD

REPORTING ACCOUNTANTS: Whyatt Pakeman Partners,
Chartered Accountants.

BANKERS: HSBC plc

Enquiries regarding any aspect of the Scheme should be made to at
the address shown above.

The Trustees managed the investments of the Scheme during the scheme period.

TRUSTEE REPORT

31ST JULY, 2007

The Trustees of Alexander Chapel Associates Limited Directors Pension Scheme present their report with the Accounts for the year ended 31st July, 2007.

LEGAL STATUS

The Scheme was established under a Trust Deed dated 1st July, 1997. The Scheme has been approved as an Exempt Approved Scheme under Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988.

TRUSTEES

Social Security law requires the Trustees to prepare Accounts for each financial year which give a true and fair view of the Scheme's financial transactions during the scheme year and the disposition of the Scheme's assets and liabilities at the end of that period. In preparing those Accounts the Trustees are required to

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether the Accounts have been prepared in accordance with parts 2 to 4 of Statement of Recommended Practice No. 1 subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping proper accounting records which enable them to prepare Accounts which comply with the Occupational Pension Schemes (Disclosure of Information) Regulations 1986. They are also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees are appointed and removed by the sponsoring employer, Alexander Chapel Associates Limited.

The Trustees who served during the year are shown on the previous page.

A copy of a statement on Pension Trust Principles issued by the Occupational Pensions Board is available for inspection by the Trustees at The White House, 100 Wimbledon Hill Road, London SW19 7PL.

MEMBERSHIP

The membership at 31st July, 2007 consisted of 4 members.

ACTUARIAL POSITION

The last actuarial report on the scheme, as at 1 July 2006, advised that further contributions could be paid without prejudicing approval of the scheme to provide the members with the full scale of retirement benefits and post retirement increases permitted by the Inland Revenue. The next actuarial report is as at 1 July 2009.

INVESTMENT MANAGEMENT

The Trustees have been wholly responsible for managing the investments of the Scheme during the year, with the exception of the premiums paid into Schemes with Scottish Equitable Plc.

The investments of the Scheme are made in accordance with the Occupational Pension Schemes (Investment of Scheme's Resources) Regulations 1992.

On Behalf of the Trustees

NET ASSETS STATEMENT

31ST JULY, 2007

	<u>Notes</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
INVESTMENT ASSETS			
Freehold Land and Buildings	2	850,000	850,000
UK Managed Funds	2	298,876	237,058
		1,148,876	1,087,058
CURRENT ASSETS			
Cash at Bank		91,179	110,914
Other Debtors		47,000	7,000
		138,179	117,914
LIABILITIES		-	-
NET ASSETS		1,287,055	1,204,972

Approved by the Trustees and signed on their behalf:

..... S.A. TRAVIS
TRUSTEE

..... M.S. DOHERTY
TRUSTEE

FUND ACCOUNT

YEAR ENDED 31ST JULY, 2008

	<u>Notes</u>	<u>2007</u> <u>£</u>	<u>2006</u> <u>£</u>
CONTRIBUTIONS RECEIVABLE			
Employers Contributions		-	-
EXPENDITURE			
Professional Fees		-	(259)
Property Expenses		-	(1,532)
Bank Charges and Interest		(32)	(17)
NET (REDUCTIONS)/ADDITIONS FROM DEALINGS WITH MEMBERS		(32)	(1,808)
INVESTMENT INCOME			
Bank Interest		2,297	1,952
Rental Income	3	48,000	48,000
		50,297	49,952
CHANGE IN MARKET VALUE OF INVESTMENTS			
Property	2a	-	240,000
Managed Funds	2b	31,818	(2,654)
		31,818	237,346
NET RETURN ON INVESTMENTS		82,115	287,298
NET INCREASE IN FUND DURING YEAR		82,083	285,490
BALANCE OF FUND AT 1 AUGUST, 2006		1,204,972	919,482
BALANCE OF FUND AT 31 JULY, 2007		1,287,055	1,204,972

NOTES TO THE ACCOUNTS

31ST JULY, 2007

1. ACCOUNTING POLICIES

(a) Statement of Recommended Practice (SORP)

The Accounts, which have been prepared in accordance with the SORP: Financial Reports of Pension Schemes, summarise the transactions and net assets. They do not take account of liabilities to pay pensions and other benefits in future. The actuarial position of the fund, which does take account of such liabilities is dealt with in the Actuarial Valuation Report and these Accounts should be read in conjunction therewith.

(b) Basis of Preparation

The Accounts have been prepared on an accruals basis, i.e. income and expenditure is recognised as it is earned or incurred.

(c) Valuation of Investments

Freehold Land and Buildings are valued in the Accounts at the Trustees best estimate of current market value.

Managed fund investments are stated at the bid prices quoted by the managers at the balance sheet date.

2. INVESTMENTS

(a) Investments representing more than 5% of the Pension Scheme's net assets at 31st July, 2007

<u>Investment</u>	<u>Market Value</u> <u>@ 31.7.07</u> £	<u>Market Value</u> <u>@ 31.7.06</u> £	<u>Cost</u> £
Freehold Land and Buildings at 6 Berkeley Square, Bristol. BS8 1HG	850,000	850,000	425,667
Scottish Equitable Managed Fund	298,876	237,058	191,654

Land and Buildings are stated at their open market value at 16 August 2005. This valuation was undertaken by Alder King.

(b) The movements in Managed Fund Investments during the period was:

	£
Market Value @ 1.8.06	237,058
Cost in the period	30,000
Change in Market Value of Investments	31,818
Market Value @ 31.7.07	298,876

NOTES TO THE ACCOUNTS (Continued)

31ST JULY, 2007

3. RELATED PARTY TRANSACTIONS

The Bristol branch of Alexander Chapel Associates Limited, the Scheme's principal employer, occupies the property owned by the Pension Scheme. Rent of £48,000 was payable to the Scheme in the period.
