

TRUST DEED AND RULES

OF THE

ANDREW RAY PENSION SCHEME

THIS TRUST DEED is made on the Date of Commencement as defined in the Schedule hereto BETWEEN the Principal Employer as identified in the Schedule hereto (hereinafter called "the Principal Employer") of the first part and D A Phillips and Co Limited whose registered office is situated at Ashford House, County Square, Ashford, Kent TN23 1YB (hereinafter called "the Pensioner Trustee") of the second part and the Other Original Trustees as identified in the Schedule hereto (hereinafter together with the Pensioner Trustee called "the Original Trustees") of the third part

WHEREAS

- (1) The Principal Employer desires to establish a retirement benefits scheme (hereinafter called "the Scheme") for the purpose of securing Relevant Benefits (herein so called) as defined in Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 (the said Act together with any statutory modification or reenactment of it being hereinafter called "the Act") for employees of the Principal Employer and of such other companies as shall by deed covenant to participate in the Scheme (all such companies together with the Principal Employer being hereinafter called "the Employers")
- (2) It is intended that the money requisite for carrying out this purpose shall be derived from contributions to be made from the date hereof by the Employers in respect of those of their respective employees who become members of the Scheme and (to the extent if at all required by the Rules mentioned below) by the said employees and from the income arising from the capital accretions to the assets of the Scheme and from money received in accordance with the said Rules and with this trust deed from other funds or from any other person
- (3) The Scheme is to be administered and managed in accordance with the provisions of this trust deed (hereinafter called "the Deed") and the Rules annexed hereto
- (4) The Principal Employer has requested the Original Trustees and the Original Trustees have consented to act as trustees of the Scheme and as Administrator for the purpose of the Act subject to the right of the Principal Employer to appoint new or additional trustees or to remove any of the trustees of the Scheme from office (but always in the case of the Pensioner Trustee subject to the provisions of Clause 21(viii))

NOW THIS DEED WITNESSES AS FOLLOWS:

1. THE Principal Employer hereby establishes the Scheme which shall be known by the name shown in the Schedule hereto and shall be administered in accordance with the provisions of the Deed and of the Rules
2. (a) THE Rules annexed hereto (which Rules have for the purpose of identification been signed by all persons who have signed the Deed whether as signatories or as witnesses to the seal of a company) are the Rules of the Scheme and the Deed is to be read and construed in conjunction with them and their provisions (including but not only the definitions contained in them) shall be deemed to be incorporated herein
(b) THE Schedule to the Deed is part of it and expressions defined or identified in it are to be construed accordingly
3. THE Principal Employer hereby covenants with the Trustees to observe and perform such of the provisions of the Deed and the Rules as are to be observed and performed by the Principal Employer
4. EACH Participating Employer shall pay to the Trustees such sums as shall be payable in accordance with the Rules and at the times therein provided
5. ANY company (being a subsidiary of the Principal Employer within the meaning of section 736 of the Companies Act 1985 or other company whose participation in the Scheme will not jeopardise Approval) which wishes to participate in the Scheme shall be admitted as a party to the Scheme on entering into a Supplemental Deed with the Principal Employer and the Trustees whereby the said company shall agree to observe and perform such of the provisions of the Deed and the Rules as are to be observed and performed by a company participating in the Scheme provided that a company may remain a party to the Scheme only for so long as such participation shall not jeopardise Approval

6. THE Trustees shall hold the assets of the Scheme UPON IRREVOCABLE TRUST for the purposes of the Scheme (subject to the payment of all expenses properly incurred in connection with the Scheme and not recovered in accordance with the provisions of the Rules)
7. (a) PROVIDED that the Trustees other than the Pensioner Trustee have so decided and provided that all of the Trustees shall execute such decision the Trustees may subject as herein provided invest all or any part of the assets of the Scheme in the investments set out in paragraph (b) of this Clause or in any contracts or policies effected in the names of the Trustees or in any contracts or policies assigned to the Trustees with their consent with any Insurance Company which the Principal Employer shall approve and the Trustees shall think fit being contracts or policies effected through a branch or agency within the United Kingdom whether of an Insurance Company incorporated within the United Kingdom or not being an Insurance Company to which Part II of the Insurance Companies Act 1982 applies and shall invest the relevant part of all of the assets of the Scheme in such contracts or policies where so required by Rule 25(b)
- (b) THE investments mentioned in paragraph (a) of this Clause are:
- (i) Stocks shares debenture stocks bearer securities or other investments
 - (ii) Any interests in land or property
 - (iii) Units in unit trusts (whether authorised or unauthorised) exempt funds or mutual funds
 - (iv) Underwriting sub-underwriting or guaranteeing the subscription of any stocks shares debenture stocks or other investments
 - (v) Cash or deposits or current account balances with a corporate trustee (in which event they may retain any profit arising therefrom) or with any local authority or bank or insurance company or building society or finance company at such rate of interest (if any) and upon such terms as the Trustees shall think fit and they shall not be chargeable in respect of any interest thereon in excess of any interest (if any) actually paid or credited
 - (vi) Loans on such security as the Trustees shall think fit whether or not the investment is one authorised by law for the investment of trust moneys provided however that no investment shall be in the form of a loan to any Member or any person who would become entitled to any benefits under the Rules on the death of a Member.
- (c) PROVIDED that the Trustees other than the Pensioner Trustee have so decided and provided all of the Trustees shall execute such decision the Trustees may apply all or any part of the assets of the Scheme by dealing in foreign currencies (either at the official rate of exchange or any other rates) options traded options and traded futures whether for present or future settlement and may enter into any arrangement for stock lending to which Section 129 of the Act applies
8. PROVIDED that the Trustees other than the Pensioner Trustee have so decided and provided that all of the Trustees shall execute such decision the Trustees may sell or realise or transfer or vary any investment or property whether for the purpose of reinvesting the proceeds in the manner set out in Clause 7 or for other purposes of the Scheme and may exercise any rights or powers under or in respect of any investment as though they were absolute and beneficial owners of it and in connection with the exercise of their investment powers may give any indemnity or receipt or discharge or bind or pledge all or any part of the assets of the Scheme or make any payment or do any act which they consider appropriate

The Trustees may appoint and remunerate a nominee or nominees to hold the investments of the Scheme or to take out any contract or enter into any arrangement on their behalf provided that the Trustees other than the

Pensioner Trustee have so decided and provided that all of the Trustees shall execute such decision

9. PROVIDED that the Trustees other than the Pensioner Trustee have so decided and provided that all of the Trustees shall execute such decision the Trustees may whenever they think it desirable to do so raise or borrow any sum or sums of money (including for the purpose of acquiring new or additional assets for the Scheme within the Trustees powers of investment contained in Clause 7 above) and may secure the repayment of such monies in such manner and upon such terms and conditions as they think fit and in particular by charging or mortgaging all or any part of the existing new or additional assets of the Scheme

Provided that the Trustees other than the Pensioner Trustee have so decided and provided that all of the Trustees shall execute such decision the Trustees shall have power at their discretion to borrow or raise money on such terms as they shall think fit including but not by way of limitation for the purpose of purchasing or otherwise acquiring property or assets of any nature whatsoever or any interests therein and to mortgage charge pledge or otherwise encumber any such property assets or interest or any other property assets or interest that may from time to time be comprised from the Scheme as security for the repayment of monies so borrowed or raised and for payment of all costs charges or expenses howsoever arising in connection therewith

10. THE Trustees may accept donations or bequests from any person or body to be applied for the purposes of the Scheme
11. THE Trustees may appoint an individual (who may be one of them) or a corporate body to act for and on behalf of them in relation to the investment of the assets of the Scheme but subject to such instructions and restrictions as they may specify from time to time and with power for the Trustees at any time or times in like manner to revoke such appointment and the Trustees may (with the consent of the Principal Employer) pay such remuneration as they consider appropriate to such appointees and shall indemnify them against all or any claims costs loss damages and expenses as they may incur or become liable to in good faith in the discharge of the duties of their appointments
12. ANY corporate body appointed in accordance with Clause 11 for the purpose of managing the investments of the Scheme may make and deal with investments in its own name as nominee for and on behalf of the Trustees and the Trustees may for this purpose enter into any agreement with such corporate body and may bind the assets of the Scheme in respect of any indemnity to give effect thereto
13. THE Principal Employer may by deed appoint new or additional Trustees and shall do so
- (i) as soon as may be practicable if the number of Trustees is reduced to less than two unless a corporate body is a Trustee and
 - (ii) before the Trustees exercise any of their powers discretions or responsibilities under the Scheme if the Pensioner Trustee shall die resign or be removed the appointee in such case becoming the Pensioner Trustee for the purpose of the Rules and being only such person as the Board shall approve

The Principal Employer may by deed remove any Trustee from office provided that before exercising this power the Principal Employer shall notify the said trustee in writing of the intention that the trustee shall be removed from office at the expiry of a period being not less than three months in the case of the Pensioner Trustee and not less than one week in the case of any other trustee and commencing in either case on the date on which the said notification is posted to the Trustee at his last known address and the said Trustee shall not be removed from office before the expiry of the said period

Where the Trustee in question is the Pensioner Trustee then Clause 21(viii) shall apply.

14. A corporate body may be appointed to be a trustee hereof either solely (subject to the approval of the Board) or jointly with others
15. (i) ANY trustee other than the Pensioner Trustee may relinquish his office and resign from the trust

of the Scheme by serving on the Principal Employer at its registered office written notice of his intention to relinquish his office and resign such resignation shall take effect after the expiry of a period of one month from the date on which the written notice was sent to the Principal Employer

- (ii) THE Pensioner Trustee may relinquish his office and resign from the trust of the Scheme by serving on the Principal Employer at its registered office written notice of his intention to relinquish his office and resign such resignation shall take effect after the expiry of a period of sixty days from the date on which the written notice was sent to the Principal Employer. The Pensioner Trustee shall at the time of serving the notice of resignation and if so requested by the Principal Employer or if appropriate the other Trustees of the Scheme supply a copy of any list of pensioner trustees published by the Inland Revenue.

The Principal Employer (or if appropriate the Trustees of the Scheme other than the Pensioner Trustee) shall appoint a replacement pensioner trustee and such appointment shall take effect at the same time as the termination from office of the existing Pensioner Trustee.

- (iii) IF within sixty days of the date the existing Pensioner Trustee gave notice of resignation a replacement pensioner trustee has not been appointed then the Scheme shall be wound-up commencing with effect from the expiry of the sixty day period and the provisions of Rule 51 shall apply.

Any powers vested in the Principal Employer or the Trustees for the purpose of winding-up the Scheme shall become vested solely in the existing Pensioner Trustee for the purpose of effecting the winding-up of the Scheme.

16. A Trustee who is a corporate body or a solicitor accountant actuary or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for work done by him or his firm in connection with the Scheme
17. NO Trustee in his capacity as Trustee of the Scheme or in respect of his exercise of his rights powers or duties under it shall
- (a) incur any personal liability or be liable for anything whatever except for breach of trust committed by him knowingly and intentionally
- (b) be liable for any acts or omissions not due to his own wilful neglect or default
- (c) be obliged to see that any contributions or other moneys payable to the Trustees under the Scheme are in fact paid

The Trustees shall be entitled to all the indemnities conferred on trustees by law and shall not be liable for acting on the advice of the auditors appointed under the Rules or on any advice the Trustees may obtain directly or indirectly from such corporation company firm or person as shall in their opinion be qualified by experience or otherwise to advise them

18. THE Trustees may with the consent of the Principal Employer at any time by deed alter amend extend modify or add to all or any of the provisions of this Deed and may with the consent of the Principal Employer by instrument in writing under their hand alter amend extend modify or add to the Rules and any such alterations or additions may have retrospective effect Provided always that:
- (i) no alteration or addition shall authorise the transfer or payment of any part of the assets of the Scheme in any circumstances to any Participating Employer except as provided for in Rule 51(b)
- (ii) no alteration or addition shall be made by which the main purpose of the Scheme ceases to be the provision of Relevant Benefits for Members

- (iii) no alteration or addition shall be made which in the opinion of the Actuary shall operate substantially to prejudice the benefits payable in respect of service prior to the date of such alteration or addition to any Member or other person who is at the effective date of such alteration or addition entitled to benefits under the Scheme or to benefits contingently payable on the death of a Member
- (iv) no alteration or addition shall be made without the consent of the Pensioner Trustee if it would affect the form in which benefits could be payable on or following the winding up of the Scheme
- (v) no alteration or addition shall be made which would jeopardise Approval of the Scheme
- (vi) if notice in writing of any such alteration or addition shall be given in a form agreed by the Trustees and the Principal Employer to persons affected thereby the trust powers and provisions of this Deed and of the Rules shall pending the execution of the Deed or the amendment of the Rules be deemed to be altered or added to in such manner and to such extent as the Trustees shall determine to give effect to the provisions set out in such notice The decision of the Trustees as to matters of interpretation of such notice and all matters arising in connection with the provision of any benefits referred to therein shall be final and conclusive

19. UNTIL the Scheme shall have been Approved the Trustees shall exercise their rights to accept transfers under Rule 45 only from a scheme specifically approved by the Board for the purposes of this Clause and only after the Board's prior written consent has been obtained (if appropriate) to each transfer and in the event of the Scheme failing to receive Approval from the Board within two years from the Date of Commencement (or such longer period as the Board may allow) any transfer payments to the extent that they have not already been used to provide benefits under the Scheme shall

- (i) be returned (where possible) to the trustees or other administrator of the transferring scheme or
- (ii) be applied to purchase non-assignable annuities commutable if at all only to the extent permitted under the Rules of the transferring scheme and the purchase restricted to the United Kingdom Office or Branch of a UK incorporated assurance company to which Part II of the Insurance Companies Act 1982 applies or
- (iii) be applied in such other manner as shall be agreed with the Board

The Trustees shall meet any liability to tax (eg if commutation is permitted for triviality or in exceptional circumstances of serious ill-health) that would have fallen on the trustees or other administrator of the transferring scheme having regard to the nature of its approval at the relevant time and may deduct an amount equal to such liability from the benefits in respect of which the liability arises

20. THE trusts hereby established are irrevocable and shall not be determined or dissolved without the consent of the Pensioner Trustee notwithstanding that the consent has been obtained of all persons whose consent would apart from this Clause be necessary unless the assets of the Scheme are dealt with in accordance with Rule 51

21.

(i) NOTWITHSTANDING anything to the contrary in the Scheme provisions the following sub-Clauses 21(ii) to 21 (ix) shall subject to sub-Clause 21(x) below have full effect except that they may not be construed as conferring powers on the Trustees which they do not otherwise have by virtue of the Trust Deed and Rules.

(1) In these sub-Clauses the following expressions shall have the meanings ascribed to them:

(a) "Business" includes:

- (i) a trade or profession, or
- (ii) any activity other than investment carried on by a body of persons, whether

corporate or unincorporate, or

- (iii) any activity carried on by a holding company for a trading group.
- (b) "Close Company" has the meaning given by sections 414 and 415 of the Act.
- (c) "Company" means any body corporate or unincorporated association, but does not include a partnership.
- (d) "Control" in relation to a body corporate (other than a Close Company) or partnership shall be construed in accordance with section 840 of the Act and in relation to an unincorporated association that section shall be applied as it applies to a body corporate.

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

- (e) "Employer" means an employer participating in the Scheme.
- (f) "Ordinary Annual Contribution" means for the purpose of sub-Clause 21(ii) the smaller of:
 - (i) the amount found-
 - (A) where the Scheme has been established for three years or more at the time of any borrowing, by dividing the amount of the contributions paid by Employers in the period of three years which ended at the end of the previous accounting period of the Scheme by three, or,
 - (B) where the Scheme has been established for less than three years at the time of any borrowing, by dividing the amount of the contributions paid by Employers in the period since the Scheme was established ending at the time of that borrowing by the number of years falling within that period (a part of a year being counted as one year), and
 - (ii) the amount of the Ordinary Annual Contribution which, within the period of 3 years immediately preceding the date of the borrowing, an Actuary has advised in writing would be necessary to secure the benefits payable under the Scheme.
- (g) "Pensioner Trustee" means a trustee of the Scheme who:
 - (i) is approved by the Board to act as such, and
 - (ii) is not connected with a Scheme Member, another Trustee or an Employer.
- (h) "Private Company" means a company which is not officially listed on a recognised stock exchange within the meaning of section 841 of the Act.
- (i) "Relative" means a brother, sister, ancestor or lineal descendant.
- (j) "Residential Property" means property normally used or adapted for use as one or more dwellings.
- (k) "Scheme Member" means a Member of the Scheme to whom benefit is currently accruing by virtue of service as an employee.

- (2) For the purpose of these sub-Clauses any question of whether a person is connected with another shall be determined as follows:

- (a) a person is connected with an individual if that person is the individual's spouse or is a Relative or the spouse of a Relative of the individual or of the individual's spouse;
 - (b) a Scheme Member is connected with an Employer if:
 - (i) the Employer is a partnership and the Scheme Member is connected with a partner, or
 - (ii) the Employer is a Company and the Scheme Member or any person connected with him or her is, or has been during the last 10 years a Controlling Director of the Company;
 - (c) a Company is connected with another Company if:
 - (i) the same person has Control of both, or
 - (ii) a person has Control of one and persons connected with that person have Control of the other, or
 - (iii) a person has Control of one and that person and persons connected with that person have control over the other;
 - (d) a Company is connected with another person if that person has Control of it or if that person and a person or persons connected with him or her together have Control of it;
 - (e) any two or more persons acting together to secure or exercise Control of a Company shall be treated in relation to that Company as connected one with another and with any person acting on the directions of any of them to secure or exercise Control of the Company.
- (3) For the purpose of these sub-Clauses a company is associated with an Employer if (directly or indirectly) the Employer controls that company or that company controls the Employer or if both are controlled by a third person.
 - (4) For the purpose of these sub-Clauses a member of the Scheme includes:
 - (a) a Scheme Member,
 - (b) a person in receipt of a pension from the Scheme, or
 - (c) a person who has been a Scheme Member.

(ii) **Provisions as to borrowing**

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

- (a) three times the Ordinary Annual Contribution, and
- (b) three times the annual amount of contributions paid or payable as a condition of membership by Scheme Members in the year of assessment ending immediately before that time, and
- (c) the amount found by the formula-

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

where-

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

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

(iii) Provision as to investment

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

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

For the purpose of this sub-Clause the Trustees are not regarded as

(A) holding a Residential Property where they hold as an investment units in a unit trust scheme:

- (i) which is an authorised unit trust scheme within the meaning of section 468(6) of the Act, or
- (ii) an exempt unit trust within the meaning of section 96 of the Capital Gains Tax Act 1979, and,
- (iii) that unit trust scheme holds Residential Property as an investment.

(B) indirectly holding as an investment Residential Property other than that specified in paragraph (b) where-

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

(iv) THE Trustees in that capacity shall not directly or indirectly lend money.

- (a) to a Member of the Scheme or to a person who is connected with a Member of the Scheme other

than an Employer or any Company associated with an Employer; or

- (b) to an Employer or a Company associated with an Employer unless the loan is:
- (i) utilised for the purpose of the borrower's Business, and
 - (ii) for a fixed term, and
 - (iii) at a commercial rate of interest, and
 - (iv) evidenced by an agreement in writing which contains all the conditions on which it is made and, in particular, the provisions specified in paragraph (c) below;
- (c) the provisions specified in this paragraph are that the lending shall be repaid immediately if:
- (i) the borrower is in breach of the conditions of the agreement; or
 - (ii) the borrower ceases to carry on business; or
 - (iii) the borrower becomes insolvent within the meaning defined for the purposes of Regulation 6 of the Retirement Benefit Schemes (Restriction on Discretion to Approve) (Small Self-administered Schemes) Regulations 1991; or
 - (iv) the money is required to enable the Trustees to pay benefits which have already become due under the Scheme.
- (v) AT the time any money is lent, or any shares in the Employer or any company associated with an Employer are acquired, the aggregate of:
- (a) the amount outstanding of any lending to an Employer and/or a Company associated with an Employer made in accordance with sub-Clause 21(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, where that time is after the end of a period of two years from the date on which the Scheme was established, exceed the amount found by the formula:-

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

where-

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

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

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

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

where-

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

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

(vi) Provisions as to transactions with Members of the Scheme

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

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

- (a) by the death of the trustee,
- (b) by an order of the court,
- (c) by virtue of section 3, 4 or 29 of the Pensions Act 1995 or Article 3, 4 or 29 of the Pensions (Northern Ireland) Order 1995 (prohibition, suspension or disqualification),
- (d) by withdrawal by the Board of their approval of the trustee to act as a Pensioner Trustee, or
- (e) where termination occurs by virtue of the Trustee having committed a fraudulent breach of trust in relation to the Scheme
- (f) where another trustee is appointed to act as Pensioner Trustee in the place of the trustee, and the appointment of the other trustee takes effect at the same time as the termination, or
- (g) where no trustee is appointed to act as Pensioner Trustee in the place of the trustee and the Scheme is wound-up as provided under Clause 15(iii).

The appointment of the successor to the former Pensioner Trustee shall, except where (f) above applies, be made no more than 30 days after termination.

(ix) Provision of information to Inland Revenue

- (1) Within 90 days of any transaction by the Trustees such as is specified in paragraph (2) below the

Administrator will furnish the Board with such information and documents as the Board requires. The provision of such information and documents may be made to the Board by any one of the Trustees on behalf of the Administrator.

(2) The transactions specified are:

- (a) the acquisition or disposal of land (including buildings, or other structures);
- (b) the lending of money to an Employer or a Company associated with an Employer;
- (c) the acquisition or disposal of shares in an Employer or a Company associated with an Employer;
- (d) the acquisition or disposal of shares in a Private Company;
- (e) the borrowing of money; or
- (f) the purchase, sale or lease from or to an Employer or a Company associated with an Employer of any investment or asset.

(x) THE Trustees are authorised:

- (a) to retain an investment of a description mentioned in sub-Clause 21(iii) (a), (b), or (c) above which was held by them immediately prior to 15th July 1991;
- (b) to continue to lend money, or retain shares in an Employer or any Company associated with the Employer, which was being lent or held by them immediately prior to 15th July 1991, where at the time the money was first lent or the shares were acquired the aggregate of the amount and the market value referred to in sub-Clause 21(v) above exceeded twenty five per cent of the market value of the total assets of the Scheme excluding the value of any transfer values received but did not exceed fifty per cent of the market value of the total assets of the Scheme, notwithstanding that the loan was made or the shares were acquired during the period of two years from the date on which the Scheme was established; and
- (c) to sell assets held by them immediately prior to 15th July 1991 to a Member of the Scheme or a person connected with him.

22. BEFORE any investment of the resources of the Scheme is made in an Employer-related investment (within the meaning of section 57A(2) of Social Security Pensions Act 1975), each Member must agree in writing to the making of that investment

SCHEDULE

NAME OF SCHEME:

ANDREW RAY PENSION SCHEME

DATE OF COMMENCEMENT:

17th FEBRUARY 2005

PRINCIPAL EMPLOYER:

THACKERAYS LTD

WHOSE REGISTERED ADDRESS IS AT:

31 ST GEORGES PLACE
CANTERBURY KENT CT1 1XD

OTHER ORIGINAL TRUSTEES (Full names and addresses - or registered address of a Company)

(a)

ANDREW THOMAS RAY

of

22 HERBERT RD - HEXTABLE, NR SWANLEY
KENT BR8 7SD

(b)

of

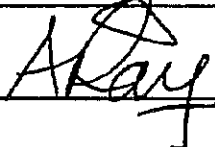
IN WITNESS whereof this Deed was duly sealed by the Principal Employer and the Pensioner Trustee and all other corporate Trustees and executed by all the other Trustees on the Commencement Date

The **COMMON SEAL** of the Principal Employer

was hereto affixed in the presence of



Director

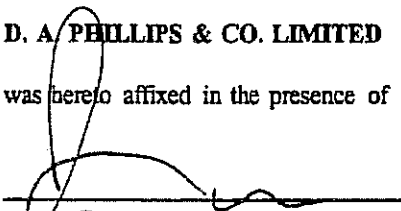


Director/Secretary

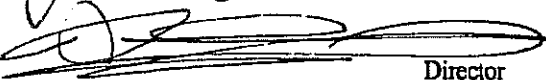
The **COMMON SEAL** of the Pensioner Trustee

D. A. PHILLIPS & CO. LIMITED

was hereto affixed in the presence of



Director



Director

All individual Trustees must sign below (even if they are witnesses to a seal above)

SIGNED SEALED and DELIVERED by


(SIGNATURE OF TRUSTEE)

in the presence of

Name of Witness William GLEBOWKA

Address of Witness 20524 FARMHOUSE

HOATH RENT CT3 4LA

Occupation of Witness DIRECTOR IFA

Signature of Witness 

SIGNED SEALED and DELIVERED by

(SIGNATURE OF TRUSTEE)

in the presence of

Name of Witness _____

Address of Witness _____

Occupation of Witness _____

Signature of Witness _____

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1. DEFINITIONS

In these Rules and in the Deed unless the context otherwise requires:

- (a) any reference to any Act of Parliament includes any statutory amendment modification or reenactment thereof and any regulations made thereunder for the time being in force
- (b) words referring to men shall include women and words in the singular shall include the plural and (with the exception of references to wife husband widow or widower) vice versa
- (c) expressions defined or identified in the Schedule to the Deed shall have the meaning specified there unless this Rule explicitly provides to the contrary
- (d) the following expressions shall have the meanings respectively assigned to them:

"the Act" means the Income and Corporation Taxes Act 1988.

"Actuary" means a Fellow of the Institute of Actuaries or of the Faculty of Actuaries in Scotland or a firm of such Fellows appointed by the Trustees as Actuary to the Scheme.

"Administrator" shall be the Trustees who shall have the management of the Scheme.

"Approval" means approval by the Board under Chapter I of Part XIV of the Act and "Approved" is to be construed accordingly.

"Associated Employer". An employer is associated with another employer if one is controlled by the other, or both are controlled by a third party. Control has the meaning in Section 840 of the Act, or in the case of a close company, Section 416 of the Act.

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

"Board" means the Board of Inland Revenue.

"Child's Pension" means a pension payable under Rule 13 on the death of a Member leaving a Dependant Child.

"Class A Member" shall be a Member who is not a Class B or Class C Member.

"Class B Member" shall mean 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) whom the Board has agreed in writing to be a Class B Member by virtue of previous membership of a Relevant Scheme

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

"Class C Member" shall mean any Member who joined the Scheme before 17 March 1987 or who joined subsequently and whom 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.

"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 two Associated Employers;
- (b) that period counts under both schemes as a period in respect of which benefits are payable;
- (c) the period counts under one scheme for service with one employer and under the other for service with the other employer.

"Controlling Director" means a Member who, at any time on or after 17 March 1987 and in the last 10 years before the Relevant Date has, in relation to the Participating 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 that Act.

"Deed" means the deed made on the Date of Commencement between the Principal Employer and the Trustees and any deeds supplemental thereto.

"Dependant's Pension" means a pension payable under Rule 11 or Rule 12 after a Member's death.

"Dependant Child" means a child (including a step-child and a lawfully adopted child) who is under the age of eighteen years or is for the time being a student engaged in full-time education or vocational training.

"Dependant" means the Member's Dependant Children, widow or widower and any person who in the opinion of the Trustees is wholly or partly maintained or given regular financial assistance by the Member.

"Early Retirement Limit" means the Member's fiftieth birthday.

"Eligible Employee" means a person who is or has been in the service of a Participating Employer who has not passed the Normal Pension Date and who has been informed that he is eligible for admission to the Scheme and may include a Director or a former Director of a Participating Employer whose admission to the Scheme will not prejudice Approval and "Eligible" shall be construed accordingly. The decision of the Principal Employer as to whether or not a person is at any particular time in the service of a Participating Employer and whether or not he has been informed of his eligibility for admission to the Scheme shall be final and conclusive.

"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 Retail Prices Index for the last day of that year up to the last day of the basic pay year. Remuneration that is received after the Relevant Date and upon which tax liability has been determined will be treated as a Fluctuating Emolument (providing it was earned or qualified for prior to the Relevant Date). In these circumstances it may be included provided the yearly average of 3 or more consecutive years begins no later than the commencement of the basic pay year, or
- (b) the yearly average of the total emoluments from the Participating Employer which are assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any 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 any interest in shares or from a right to acquire shares (except in respect of any acquisition or disposal, interest or right which arose from an entitlement or option created or granted before 17 March 1987) or anything in respect of which tax is chargeable by virtue of Section 148 of the Act;
- (ii) in relation to a Controlling Director, Final Remuneration shall be the amount ascertained in accordance with (b) and (a) above shall not apply;
- (iii) in relation to any other employee whose remuneration in any year 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 individual chooses to adopt £100,000 (or such other figure as may be prescribed by the Treasury);
- (iv) Where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's remuneration or total emoluments of any year may be increased in proportion to any increase in the Retail Prices 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 on retirement unless the Member's aggregate total benefits are similarly increased beyond the maximum amount which could be paid but for this proviso and/or the first sentence of (a)(ii) above and then only to the same proportionate extent;
- (v) for Class A Members Final Remuneration shall not exceed the Permitted Maximum;
- (vi) for the purpose of calculating the maximum lump sum on retirement of a Class B Member Final Remuneration shall not in any event exceed £100,000 (or such other figure as may be prescribed by the Treasury);
- (vii) A Member who remains, or is treated as remaining, in Service but by reason of ill-health is in receipt of a much reduced remuneration i.e. under a sick pay or permanent health insurance scheme, 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 Retail Prices 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 Participating Employer may not be included in Final Remuneration.

Notes: 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 Board.

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 Class

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 a lower Final Remuneration then benefits in payment should be reduced if this is necessary to ensure that they do not exceed the maximum allowable based on the lower Final Remuneration. Where Final Remuneration is greater it will be possible to augment benefits in payment but such augmentation must take the form of a non-commutable pension.

Where immediate benefits are not being 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" are any part of a employee's earnings which are not paid on a fixed basis and are additional to the basic wage or salary. They include overtime, commission, bonuses or benefits in kind as long as they are assessable to tax under Case I or II Schedule E and profit related pay (see proviso (viii) to definition of Final Remuneration). Director's fees may rank as fluctuating emoluments according to the basis on which they are voted.

"Ill-health" means partial or total incapacity arising out of accident or mental or physical disability or impairment and which in the opinion of the Principal Employer is sufficiently serious to prevent a Member from following his normal occupation or seriously to impair his earning ability.

"Life Assurance Benefit" means in relation to a Member such amount not exceeding the limits set out in Rule 32 as the Trustees shall notify to the Member for the purpose of Rule 8.

"Long Service Benefit" means the benefit to which a Member the Member's widow or widower dependants and personal representatives will be entitled under the Scheme if he remains in Service until Normal Pension Date.

"Lump Sum Death Benefit" means any lump sum payable on the Member's death.

"Maximum Permitted Pension" means the amount calculated in accordance with Rule 29(a) which is the greatest pension which may be paid to the Member on retirement from Service at the Normal Pension Date.

"Member" means a person who is or has been an Eligible Employee and who has been admitted to membership under Rule 2 and whose membership has not ceased in accordance with these Rules and "Membership" shall be construed accordingly.

"Member's Contributions" means in relation to a Member any contribution paid by the Member under the Scheme (including any Transferred Employee Contributions in respect of the Member) without interest Provided that in any case where Transferred Employee Contributions have been applied on the basis that in the event which happens such contributions shall not be taken into account in calculating the amount of any benefit or benefits under the Scheme Member's Contribution shall be reduced by an amount determined by the Trustees to be equivalent to the amount so applied.

"Normal Pension" means such pension not exceeding the Maximum Permitted Pension as shall in the opinion of the Trustees on the advice of the Actuary be secured by the contributions received by the Trustees in respect of the Member.

"Normal Pension Date" means that date notified to each Member individually as the date on which he is expected to retire on pension from the Scheme being a date no earlier than the Member's sixtieth birthday and no later than the Member's seventy-fifth birthday.

"Paid Up Policy" means an individual non assignable non commutable (except to the extent if any permitted by the Rules) annuity or life assurance policy secured by a single premium through the United

Kingdom branch or agency of an insurance company to which Part II of the Insurance Companies Act 1982 applies.

"Participating Employer" means the Principal Employer or any corporation company or firm which is or may become either associated in business with or directly or indirectly controlled by the Principal Employer and which shall have entered into a covenant with the Trustees to comply with and observe the provisions of the Scheme as from the date specified in the covenant provided that no such corporation company or firm shall be admitted to participation in the Scheme unless the prior consent of the Board shall have been obtained and in relation to any Member means the Participating Employer by whom he is (or was at the relevant time) employed.

"Pensionable Service" means pensionable service as defined in paragraph 3 of Schedule 16 to the Social Security Act 1973.

"Pensioner Trustee" means the Trustee so called in the Deed and any person appointed in his place under Clause 13 and subject to Clause 21(viii) of the Deed.

"Permitted Maximum" is to be construed as defined in Section 590C(2) of the Act.

"Principal Employer" means the company so identified in the Schedule to the Deed or provided that Approval is not thereby prejudiced any corporation company firm or person which or who upon any amalgamation reconstruction purchase or otherwise shall have covenanted with the Trustees to observe and perform such of the provisions of the Deed and the Rules as are thereunder to be observed and performed by the Principal Employer.

"Qualifying Service" means in relation to a Member or where applicable to an employee who will become a Member as of right upon completion of the eligibility conditions set out in Rule 2 the aggregate of the following periods namely:

- (a) Service with a Participating Employer (whether or not continuous) which is pensionable under the Scheme including any Service prior to a break of one month or less which would be pensionable if no refund of contributions had been made in respect of such Service and including in the case of a female Member who returns to work after an absence for pregnancy or confinement in exercise of a right under Section 45(1) of the Employment Protection (Consolidation) Act 1978 any Service prior to such absence.
- (b) Service with a Participating Employer which qualifies the Member for benefit under any Connected Scheme.
- (c) 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) for the purposes of reckoning the two years' Qualifying Service referred to in Rule 14 no account shall be taken of any period which does not qualify the Member for Long Service Benefit and
- (ii) no period shall be reckoned twice.

"Relative" means in relation to a person his wife or her husband his children (including step children and legally adopted children) grandchildren brothers sisters (whether of the whole blood or of the half blood) parents grandparents nephews and nieces.

"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 and in respect of a Class A Member who is a Controlling Director also any retirement annuity contract or trust scheme approved under Chapter III Part XIV 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 means the aggregate of the total emoluments for the year in question from the Participating 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.

"Retail Prices Index" means the Retail Prices Index (all items).

"Retirement Benefit Scheme" means retirement benefit scheme as defined in Section 611(1) of the Act.

"Retained Death Benefits" means any lump sum benefits payable on the Member's death from:

- (a) retirement benefits schemes Approved or seeking Approval or relevant statutory schemes as defined in Section 611A of the Act,
- (b) funds to which Section 608 of the Act applies,
- (c) retirement benefits schemes which have been accepted by the Board as "corresponding" in respect of a claim made on behalf of the Member for the purposes of Section 596(2)(b) of the Act,
- (d) retirement annuity contracts approved under Chapter III Part XIV of the Act,
- (e) personal pension schemes approved under Chapter IV Part XIV of the Act, and
- (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.

"Rules" means these Rules and includes any alteration or modification thereof from time to time in force.

"Scheme Year" means any period of one year commencing on the Date of Commencement and on each anniversary thereof or in the case of such person or categories of person as the Trustees shall determine on such date as the Trustees shall specify and on each anniversary thereof.

"Service" means service with the Participating Employer or an Associated Employer or except in relation to a Class A Member who is a Controlling Director of either employer, an employer who is associated with the Participating 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 Pensionable Service with a Participating Employer (other than by death) before Normal Pension Date such benefits consisting of or comprising benefits of any description (whether pension 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.

"Transfer Payment" means a payment or transfer of part or all of the Scheme's assets in accordance with the provisions of Rule 46.

"Transferred Employee Contributions" means contributions deemed to be paid by a Transferring Employee under Rule 45(b)(i).

"Transferring Member" means a person in respect of whom a transfer is accepted under Rule 45.

"Trivial Pension" means in relation to any person a pension the amount of which aggregated with any pension to which he is entitled under any Connected Scheme and the pension equivalent as determined by the Trustees of any other benefit to which he is entitled under the Scheme or Connected Scheme does not exceed £260 per annum or such higher amount that may be prescribed from time to time by regulations made under paragraph 15(4) of Schedule 16 to the Social Security Act 1973.

"Trustees" means the trustee or trustees for the time being of the Scheme.

2. MEMBERSHIP OF THE SCHEME

An Eligible Employee who completes and submits such application for membership (if any) as the Trustees shall determine shall be admitted to membership on the first day of the Scheme Year coincident with or if not coincident with next following the acceptance by the Trustees of his application or on such other date as the Trustees shall determine and shall remain a Member as long as he is entitled or prospectively entitled to rights or benefits under the Rules.

If an Eligible Employee does not apply for membership at the first opportunity his application for membership shall be accepted by the Trustees only with the consent of the Principal Employer and subject to such conditions and on such terms (including variation of his rights to benefits) as the Trustees consider appropriate.

The Principal Employer shall determine whether an Eligible Employee's application for membership is made at the first opportunity.

3. CONTRIBUTIONS PAYABLE BY PARTICIPATING EMPLOYERS

The Participating Employers shall pay to the Trustees such contributions in each Scheme Year as may from time to time be required to enable the benefits of the Scheme in respect of their respective employees to be maintained.

The sums payable by the Participating Employers shall be agreed between them and the Trustees or in default of such agreement shall be determined by the Principal Employer on the advice of the Actuary.

All expenses in connection with the establishment administration and management of the Scheme (other than investment expenses) shall be paid by the Participating Employers in the same proportions as the amounts respectively contributed by them during each Scheme Year or otherwise as may be agreed from time to time between them.

4. CONTRIBUTIONS PAYABLE BY MEMBERS

Members will (subject to Rule 28) contribute to the Scheme at such rate (if at all) as shall be notified in writing to them individually and once notified such rate shall not be altered before the expiry of a period of twelve months from the date on which the first payment at that rate became due without the prior consent of the Board. Members' contributions shall be collected by the Participating Employer from those of its employees who are Members (by deduction from earnings or by such means as such Participating Employer shall decide) and shall be paid to the Trustees at such time or times as the Trustees shall direct.

A Member in Pensionable Service may at any time by notice in writing to the Trustees elect to pay voluntary contributions to the Scheme and if he so elects he shall contribute to the Scheme at such rate as he may elect

from time to time provided that the Trustees may require a Member to give notice to the Trustees of such period (not being greater than 12 months) as the Trustees may require of his intention to pay voluntary contributions at that rate or to increase that rate and may impose a lower limit on the payment of such voluntary contributions by a Member (such limit not to be higher than that prescribed in regulations made under Section 12 of the Social Security Act 1986) and provided further that the Trustees shall make such adjustment (if any) in the rate of such voluntary contributions for such period as they consider necessary either so as not to prejudice Approval or if in their opinion the payment of such contributions would (but for the provisions of Rules 29 to 34) be likely to exceed the relevant limits set out in those Rules.

The Trustees shall provide such additional benefits from the Scheme in respect of a Member who pays voluntary contributions as would not prejudice Approval as they shall with the advice of the Actuary determine provided that if a Member starts to pay voluntary contributions on or after 8th April 1987 or having ceased to pay voluntary contributions recommences such payments on or after that date any retirement benefits so secured must be in the form of non-commutable pension except to the extent to which the provisions of the Scheme allow commutation of trivial pensions or on the grounds of serious Ill-health.

5. PENSION ON RETIREMENT AT NORMAL PENSION DATE

On retirement from Pensionable Service at Normal Pension Date a Member shall (subject to the exercise of the options set out in Rules 21 and 23) and subject to Rule 22 and 29 be entitled to the Normal Pension payable in accordance with the provisions of Rule 25.

6. PENSION ON RETIREMENT BEFORE NORMAL PENSION DATE

On retirement from Pensionable Service before the Normal Pension Date then if such retirement is the result of Ill-health or is taking place on or after the Member's Early Retirement Limit with the consent of the Principal Employer a Member shall be entitled in lieu of his entitlement under Rule 14 or Rule 20 subject to the exercise of the options set out in Rules 21 and 23 and subject to Rule 22 to a pension the amount of which shall be equal to:

- (a) if retirement is the result of Ill-health or if the Board in any particular case agree an amount calculated as set out in paragraph (b) of this Rule or such larger amount as the Trustees with the consent of the Principal Employer shall decide being no greater than the Maximum Permitted Pension calculated on the basis of the Member's actual remuneration and the Service which he would have completed if he had remained in Service until Normal Pension Date
- (b) in any other case the pension which in the opinion of the Trustees on the advice of the Actuary is secured by the contributions paid to the Trustees in respect of the Member.

A Member who is also a Controlling Director may only retire on the grounds of Ill-health if the Administrator has first obtained the Board's consent to such retirement.

At the request of a Member the Trustees (to the intent that the Member's total pension during his retirement may remain of an approximately level annual amount) may determine that the pension payable under this Rule shall be payable at an increased rate until the expected date of commencement of any pension to which the Member is prospectively entitled under any national insurance or social security scheme and at a reduced rate thereafter its value remaining unchanged.

7. PENSION ON RETIREMENT AFTER NORMAL PENSION DATE

If retirement from Pensionable Service is postponed until after the Normal Pension Date the Member's pension shall not commence until such date (being no later than the date of his actual retirement) as he may select and the Principal Employer and the Trustees may agree to.

The pension will be payable in accordance with Rule 25 and its amount will (subject to the exercise of the options set out in Rules 21 and 23) and subject to Rules 22 and 29 be so much as in the opinion of the Trustees

on the advice of the Actuary is secured by the contributions paid to the Trustees in respect of the Member.

8. LUMP SUM BENEFIT ON DEATH IN SERVICE BEFORE NORMAL PENSION DATE

- (a) On the death of a Member while in Service the Lump Sum Death Benefit shall be payable being of an amount subject to the limitation in Rule 32 equal to the sum of the Member's Life Assurance Benefit and the amount (if any) determined by the Actuary as being the excess of the Member's actuarial interest in the Scheme over the value of any Dependant's Pension or Child's Pension payable in respect of his Service other than any Dependant's Pension or Child's Pension to which correspond benefits secured by the Trustees with an insurance company which became payable on the Member's death.
- (b) The benefit described in this Rule shall be held by the Trustees subject to the provisions set out in Rule 24.

9. LUMP SUM BENEFIT ON DEATH AFTER PENSION COMMENCES

- (a) On the death of a Member on or after the date on which he becomes entitled to a pension under the Scheme a lump sum benefit shall be payable of the amount (if any) by which five years' payments of pension exceeds the aggregate amount of pension due before the date of death reckoning payments not so due at the rate payable at the date of death.
- (b) The benefit described in this Rule shall be held by the Trustees subject to the provisions set out in Rule 24.

10. LUMP SUM BENEFIT ON DEATH AFTER NORMAL PENSION DATE AND BEFORE PENSION COMMENCES

- (a) On the death of a Member after his Normal Pension Date and before the date on which he becomes entitled to a pension under the Scheme a lump sum shall be payable of such amount not exceeding the appropriate limit set out in Rule 32 as the Trustees shall notify to the Member as his entitlement under this Rule.
- (b) The benefit described in this Rule shall be held by the Trustees subject to the provisions set out in Rule 24.

11. DEPENDANT'S PENSION PAYABLE ON DEATH IN SERVICE BEFORE NORMAL PENSION DATE

On the death of a Member in Service before Normal Pension Date there shall be payable to the Member's widow or widower or if he leaves no widow or widower at the discretion of the Trustees to a Dependant a pension of such amount not exceeding the limits set out in Rule 33 as is secured by that part of the Life Assurance Benefit which is not paid in a lump sum form.

The Dependant's Pension shall be subject to the following conditions:

- (i) if the Member leaves a widow or widower the instalments shall be payable until her death (and so long thereafter as there is a Dependant Child of his)
- (ii) if there is no widow or widower but there are one or more surviving Dependents the instalments may at the discretion of the Trustees be payable for the benefit of any one or more of such Dependents in such proportions as the Trustees in their absolute discretion determine and as regards each recipient of a pension under this Rule for as long as the Trustees consider that he would suffer financial hardship if the pension were terminated.

The Dependant's Pension shall be payable as stated in Rule 25 commencing from the date of the Member's death.

12. DEPENDANT'S PENSION PAYABLE ON DEATH IN RETIREMENT AND IN SERVICE AFTER NORMAL PENSION DATE

On the death of a Member

- (a) on or after the date on which payment of a pension under Rule 7 or Rule 14 commenced or was due to commence or
- (b) in Service on or after the Normal Pension Date there shall be payable to the Member's widow or widower or if he leaves no widow or widower at the discretion of the Trustees to a Dependant a pension of such amount (if any) not exceeding the limits set out in Rule 33 as the Trustees shall notify to the Member as his entitlement under this Rule.

The Dependant's Pension shall be subject to the following conditions:

- (i) if the Member leaves a widow or widower the instalments shall be payable until her death (and so long thereafter as there is a Dependent Child of his)
- (ii) if there is no widow or widower but there are one or more surviving Dependents the instalments may at the discretion of the Trustees be payable for the benefit of any one or more of such Dependents in such proportions as the Trustees in their absolute discretion determine and as regards each recipient of a pension under this Rule for as long as the Trustees consider that he would suffer financial hardship if the pension were terminated.

The Dependant's Pension shall be payable as stated in Rule 25 commencing from the date of the Member's death if he is not in receipt of a pension or otherwise one month after the date on which the last instalment of the Member's pension fell due.

13. CHILDREN'S PENSION

Any pension payable under Rule 11 or Rule 12 to a Dependent Child shall cease to be payable when the recipient ceases to be a Dependent Child unless the Child remains dependant because of disability.

14. BENEFIT ON LEAVING SERVICE

A Member leaving Pensionable Service for any reason before Normal Pension Date and after completing two years' Qualifying Service or after such earlier date as shall be notified to the Member in writing by the Principal Employer shall be entitled to Short Service Benefit.

For the purpose of this Rule Service shall be deemed not to have terminated if the Member re-enters Service after an interval which does not exceed one month or having completed two years' Qualifying Service subsequently re-enters Service.

Short Service Benefit shall be payable in the same manner as Long Service Benefit on attainment by the Member of Normal Pension Date or (as the case may require) his subsequent death.

15. COMPUTATION OF SHORT SERVICE BENEFIT

Short Service Benefit shall be of such amount as is attributable to contributions paid by or in respect of the Member before the termination of his Service.

Short Service Benefit shall include an appropriate proportion of any additional benefits to which a Member

would be entitled as Long Service Benefit including any additional benefit which has been granted either at the time membership commenced or subsequently in respect of Service prior to the date of the grant or which is not related to length of Pensionable Service or to the number or amount of his contributions paid or which represents a transfer of accrued rights from another scheme.

In the case of additional benefits which represent a transfer of accrued rights from another scheme or of an additional benefit of which the Member has met the whole cost the appropriate proportion for the purpose of this Rule is subject to Rule 45(c) the whole but in any other case the appropriate proportion is such proportion of the additional benefit as the period of Service since the date on which the benefit was granted bears to the period from such date until Normal Pension Date.

16. CONDITIONS RELATING TO SHORT SERVICE BENEFIT

- (a) Pension increases shall be added to Short Service Benefit after Normal Pension Date at the same time and to the same extent as these Rules require pension increases to be added to Long Service Benefit.
- (b) A Member who is entitled to Short Service Benefit may elect to give up a part of such benefit
 - (i) to provide a pension commencing on his death after Normal Pension Date for his widow widower or Dependant Relative in accordance with the provisions of Rule 23 or
 - (ii) in exchange for a cash sum under Rule 21.
- (c) Rule 25 applies to a person entitled to Short Service Benefit as it applies to a person entitled to Long Service Benefit.

17. ALTERNATIVES TO SHORT SERVICE BENEFIT

A Member who becomes entitled to Short Service Benefit shall have the option (exercisable by notice in writing given to the Trustees on termination of Service or at any later time before Normal Pension Date) of selecting alternative benefits as set out below:

- (a) **Early Retirement Pension**
A reduced pension of an amount determined as provided in Rule 6 and payable as provided therein to commence at such time before Normal Pension Date as the Member shall notify to the Trustee but not before his Early Retirement Limit unless he has produced evidence of ill-health satisfactory to the Trustees
- (b) **Late Retirement Pension**
An increased pension of an amount determined as provided in Rule 7 and payable as provided therein to commence on such date after Normal Pension Date as the Member shall notify to the Trustees being not later than the date on which he ceases to be in employment to the date on which he attains age 75 whichever is the earlier
- (c) **Transfer to Another Scheme**
If the Member becomes a member of another such fund scheme or arrangement as is mentioned in Rule 46 a payment in accordance with the provisions of that Rule of that part of the assets of the Scheme which in the opinion of the Trustees on the advice of the Actuary is attributable to the Member's Short Service Benefit
- (d) **Individual Policy of Assurance or Annuity**
With the consent of the Trustees such benefits as may be secured by a policy of assurance or annuity contract approved by the Board in the name of the Member and issued through the United Kingdom branch of such Insurance Company to which the Insurance Companies Act 1982 relates as the Member shall specify.

18. PROHIBITION OF ASSIGNMENT ETC OF SHORT SERVICE BENEFIT

The provisions of the Rules relating to assignment surrender and commutation of benefits shall apply to Short Service Benefit as they apply to Long Service Benefit.

19. DEATH BEFORE SHORT SERVICE BENEFIT BECOMES PAYABLE

On the death before Short Service Benefit becomes payable of a Member entitled to such Short Service Benefit a payment shall be made equal to the total contributions made to the Scheme by the Member during his Service together with such Dependant's Pension as the Trustees in their absolute discretion shall decide being not greater than two thirds of the pension to which the Member would have been entitled had he survived to his Normal Pension Date or if he has passed his Normal Pension Date two thirds of the pension to which he would have been entitled if he had elected that his pension should commence on the day on which he died.

20. MEMBERS NOT ENTITLED TO SHORT SERVICE BENEFIT

A Member who leaves Pensionable Service for any reason before the Normal Pension Date without being entitled to any other benefit under the Rules or to Short Service Benefit and who so elects in writing to the Trustees before his Normal Pension Date and before his pension is due to commence and who has not received any lump sum benefit other than in refund of contributions under any other approved scheme since the date of termination of his Service shall receive a lump sum equal to the total contributions he has paid to the Scheme reduced by the amount of any tax liability which the Trustees will incur on making the payment. On the payment by the Trustees of a lump sum under this paragraph the Member shall cease to be a Member and shall have no entitlement to any other benefit under the Scheme.

In the absence of any election in accordance with the first paragraph of this Rule the Member shall become entitled to a pension payable from the Normal Pension Date of the amount which the Actuary shall determine as being equal in value to the contributions the Member has paid to the Scheme increased by such amount as the Principal Employer may direct provided however that the amount of pension shall not exceed the amount calculated in accordance with Rule 29(c). Such pension shall be payable in the same manner and for the like period as if such pension were the Normal Pension.

On the death of the Member before the Normal Pension Date a lump sum benefit of an amount determined by the Actuary as equal to the value at the date of death of the Member's expected pension shall be held by the Trustees subject to the provisions of Rule 24 and no other benefits shall be payable in respect of him.

Subject to the consent of the Trustees and to the production of such evidence of the Member's health as they may require any pension payable under this Rule shall in lieu of being payable from the Normal Pension Date be payable from such of the following dates as the Member may select by notice in writing to the Trustees before the Normal Pension Date or if earlier the selected commencement date of the pension:

- (i) a date earlier than the Normal Pension Date but not except in cases of Ill-health earlier than the Member's Early Retirement Limit
- (ii) a date later than the Normal Pension Date on which he retires from service with his employer at the time
- (iii) his seventy-fifth birthday.

In the event of such yearly pension becoming payable from a date other than the Normal Pension Date the amount terms and conditions appropriate thereto and the amount (if any) which shall become payable on the death of the Member before or after the date from which such pension becomes payable shall be determined by the Trustees on the advice of the Actuary and shall be notified in writing to the Member.

At the request of a Member who is entitled to a pension under this Rule and who becomes a member of another such fund scheme or arrangement as is mentioned in Rule 46 the Trustees may in their discretion make a transfer payment in accordance with the said Rule 46 in respect of his benefits and the benefits of any other person prospectively or contingently entitled to a benefit under the Scheme by reference to his Membership.

21. COMMUTATION OF PART OR ALL OF THE MEMBER'S PENSION

At the request of a Member before his pension is due to commence the Trustees may at their discretion permit the Member to commute the whole or part of the pension to which he is entitled for a cash sum not exceeding whichever of the limits set out in Rule 30 may be appropriate to his case.

If a Member commutes part or all of his pension in accordance with this Rule his pension under Rule 5, 6, 7 or 14 as the case may be shall be reduced by such amount as the Actuary certifies to be equivalent to the cash sum paid or payable to him under this Rule.

Payment under this Rule shall be made on the date on which a Member's pension is due to commence except that in the case of a Class B or Class C Member (but not a Class A Member) in Service after his Normal Pension Date the Trustees with the consent of the Principal Employer may at their discretion allow payment on such date but only one such date as the Class B or Class C Member shall select being earlier than the date on which his pension is due to commence and references in these Rules to "retirement" and "date of retirement" are to be construed in such circumstances as references to such selection of a date by the Class B or Class C Member and to the date selected respectively.

22. TRIVIAL PENSIONS AND MEMBERS IN ILL-HEALTH

A person who has become entitled to a Trivial Pension or subject to the prior approval of the Board a Member who is in exceptional circumstances of serious Ill-health may with the consent of the Trustees before his pension is due to commence commute the whole of such pension in exchange for a cash sum. The amount of the cash sum shall be determined by the Trustees on the advice of the Actuary and shall be reduced by the amount of any tax for which the Trustees shall become liable as a result of payment of it. The cash sum shall be payable on the date on which the pension was due to commence.

23. OPTIONAL PENSIONS IN FAVOUR OF A MEMBER'S WIDOW WIDOWER OR DEPENDANTS

With the consent of the Trustees and subject to Rule 33 a Member may at the date his pension is due to commence exchange part of his pension for a pension payable after his death to one or more of the Member's widow widower and Dependants.

The terms and conditions upon which any pension shall become payable under this Rule and the appropriate adjustment in the amount and terms and conditions applicable to any benefit or benefits to which the Member may thereafter become entitled under the Scheme shall be determined by the Trustees on the advice of the Actuary. No sum or sums shall be payable on the death of the Member's widow widower or Dependants under this Rule.

24. PAYMENT OF BENEFITS ON DEATH OF A MEMBER

- (a) Except as provided in paragraph (d) of this Rule any benefit which in accordance with these Rules upon the death of a Member is expressed to be held by the Trustees subject to the provisions of this Rule shall be held on trust by the Trustees with power to pay or apply such benefit to or for the benefit of such one or more of the persons described in paragraph (b) below or to the personal representatives of such deceased Member in such amounts at such times and in such manner as the Trustees in their absolute discretion shall decide provided that any balance of the said capital sum remaining unpaid or unapplied as aforesaid after the expiration of a period of two years from the date of the Member's death shall be paid to the Member's legal personal representatives.
- (b) The persons mentioned in paragraph (a) above are:
 - (i) the Member's Relatives and Dependants
 - (ii) any person who is entitled to any interest in the Member's estate under any will made by the

Member and

- (iii) any person whose name and particulars have been notified to the Trustees in writing by the Member as being a person whom the Member wishes the Trustees to consider as a possible recipient of any benefit payable on the Member's death.
- (c) The Trustees shall have power when they deem it necessary to pay any sums becoming payable on the death of the Member to any person or persons appointed for the purpose by the Trustees to be held upon subsidiary trusts for the exclusive benefit of such of the persons entitled to benefit under the Scheme as the Trustees may in their absolute discretion determine. The receipt of any person or persons to whom any payment is made in accordance with this Rule shall be an absolute discharge of the obligations of the Trustees in respect of the benefits in question.
- (d) A benefit payable under the provisions of this Rule on the death in service on or after attaining age 75 of a Controlling Director shall be paid by the Trustees to the Member's surviving widow or widower or in the absence of a surviving widow or widower to the Member's legal personal representatives.

25. PAYMENT OF PENSION

- (a) Unless the Trustees otherwise determine any pension under the Scheme shall be payable monthly in advance on the same day in each month and the amount of each monthly payment shall be as nearly as may be practicable one-twelfth of the annual amount of the pension. The first monthly payment shall be due on the date on which the Member (or other person) becomes entitled to the pension and the last payment shall be the monthly payment due next before the date of death or other event upon which the pension ceases. Provided that the Trustees may in their discretion postpone making any monthly payment until such date as they shall determine being not later than the fifteenth day of the next month after that in which the monthly payment falls due.
- (b)
 - (i) Unless the Board otherwise agree where a Member or any other person by virtue of the Membership of a Member is entitled to a pension or increase in pension under the Scheme the Trustees shall purchase from the United Kingdom branch of an Insurance Company to which Part II of the Insurance Companies Act 1982 applies an annuity policy providing (as nearly as may be) the pension or increase in pension (as the case may be) to which the Member or other person is entitled.
 - (ii) Subject to paragraph (c) below the purchase of an annuity policy in accordance with this Rule shall be made within five years after the date on which a pension first became payable to the Member under the Scheme in the case of a pension payable to a Member or increase in pension becoming payable to a Member within five years after the date on which a pension first became payable to him, and on the date on which any other pension or increase in pension becomes payable.
- (c) In the case of a Member who retires for whatever reason on or after 4 February 1994 or a Member who retired on or after 4 February 1989 but whose pension has not been secured within 5 years of that retirement under Rule 25(b)(ii) above, the Trustees shall purchase an annuity for such Member in accordance with that Rule. 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:
 - (i) Where all Members of the Scheme and any Dependant are in receipt of pensions, the Trustees shall not, directly or indirectly, make any new loans to a Participating Employer or a Company associated with a Participating 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 Dependant's

Pensions come into payment, this restriction will apply on the first payment to the final Dependant. The Trustees shall ensure the repayment of any existing loan made to a Participating Employer or to any Company associated with a Participating 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.

- (ii) Where the Scheme has both Members who have not retired and Pensioners and Dependants with benefits in payment whose annuity purchase has been deferred, the Actuary shall exclude each such Pensioner's and Dependant's actuarial interest in the Scheme when determining the proportion and the amount which may be lent to a Participating Employer or any Company associated with a Participating Employer or used to buy stock or shares in any Private Company. Within 5 years of the commencement of pension to new Pensioners or Dependants the Trustees shall ensure that an appropriate proportion of any loan to or shares in a Participating Employer or any Company associated with a Participating 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.
- (iii) Where, during the period of deferral, investments held for the purposes of the Scheme include real property, the Trustees shall ensure that there are sufficient other readily realisable assets so as to be in a position to purchase a Member's or Dependant's annuity at any time after the Member has attained age 70.
- (iv) The amount of any new borrowing by the Trustees during any period of deferral shall be restricted so that the Pensioners' and Dependant's actuarial interests in the Scheme are excluded from the calculation in Clause 21(ii) of the Deed.
- (v) During the period of deferral, and whilst the pension is paid by the Trustees, the Actuary shall certify the amount of pension which can be maintained by the Trustees taking account of:
 - (i) in the case of a Member's pension, any contingent Dependants' Pensions payable;
 - (ii) the income and assets of the Scheme, and in particular those liquid assets representing the Pensioner's or Dependant's actuarial interest in the Scheme.

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 Scheme. 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.

- (vi) 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.
 - (vii) A formal review of the amount of pension payable shall thereafter form part of the Scheme's triennial actuarial reviews; and the renewal certificate shall be supplied to the Pension Schemes Office with the actuarial valuation report.
 - (viii) The Trustees shall review the suitability of annuity purchase at least on an annual basis and in connection with significant changes in available annuity rates.
- (d) The Trustees shall pay or apply Children's Pensions to such person or in such manner as shall seem to them most expedient having regard to the interests of the Dependent Children in question.

26. DISCRETIONARY BENEFITS

At the request of the Principal Employer and upon payment of such additional contributions (if any) as the Trustees may in the light of the advice of the Actuary require the Trustees may grant under the Scheme such of the following benefits as shall not prejudice Approval:

- (i) an increase in the amount of any pension or other benefit which may become payable to or in respect of a person under the Scheme
- (ii) a pension or an increase in the amount of any pension payable to a person on or after his retirement from the Service of a Participating Employer
- (iii) a cash sum or an increase in the sum payable to a person on his retirement from the Service of a Participating Employer
- (iv) a cash sum or an increase in the cash sum payable on the death in specified circumstances of a person in the Service of a Participating Employer
- (v) a pension or an increase in the pension payable after the death in specified circumstances of a person who has completed a period of Service with the Participating Employer in respect of such person's widow or widower or Dependent Relative.

In any case where a pension or other benefit is granted under this Rule the employee by reference to whose Service such pension or other benefit becomes payable if not a Member shall for the purposes of these Rules be deemed to be a Member whether or not this is the case and the provisions of the Rules shall be read and construed accordingly.

27. NOTIFICATION AND PAYMENT OF BENEFIT

- (a) The Trustees shall notify Members in writing of the amount of benefit or basis of calculation of benefit payable respectively under the various circumstances in which benefits arise under these Rules and shall make available for inspection by Members a copy of these Rules and of the Deed.
- (b) All benefits under the Scheme shall be payable in sterling at the principal place of business of the Principal Employer or in such other manner as the Trustees may determine and in particular if any annuity policy or contract or other policy of assurance is effected by the Trustees to secure benefits in respect of a Member may be paid by the issuing assurance company on behalf of the Trustees in such manner as is its normal practice.

28. MAXIMUM CONTRIBUTIONS PAYABLE BY A MEMBER

The amount of the contributions paid to the Scheme by a Class A Member under Rule 4 in a year of assessment shall not exceed either:

- (i) when aggregated with the Member's contributions to any other exempt approved schemes, 15 per cent of the Members Remuneration, or
- (ii) when aggregated with the Member's contributions to any schemes which are Associated or Connected Schemes, 15 per cent of the Permitted Maximum.

The amount of the contributions paid to the Scheme by a Class B or a Class C Member under Rule 4 in a year of assessment shall not exceed when aggregated with the Member's contributions to any Associated Scheme 15 per cent of the Member's Remuneration.

29. MAXIMUM PENSION

The limits set out in this Rule 29 and in Rules 30 to 34 inclusively shall apply notwithstanding anything stated

to the contrary elsewhere in these Rules or in any other document or instrument of the Scheme.

The yearly amount of any pension (before the exercise of any option in respect thereof) payable under the Scheme to a Class A Member on retirement from Pensionable Service when aggregated with the pension equivalent of any retirement benefits which have become or may become payable to the Class A Member under the Scheme otherwise than in pension form and with any pension and the pension equivalent of any other retirement benefits payable to him under any Associated Scheme shall not exceed:

- (a) On retirement from Pensionable Service at any time between attaining age 50 and attaining age 75, except before Normal Pension Date on grounds of Ill-health the Maximum Permitted Pension which is the greater of
 - (i) 1/60th of the Class A Member's Final Remuneration for each year of Service subject to a maximum of 40 years and
 - (ii) such greater amount as will not prejudice Approval.
- (b) On retirement from Pensionable Service before the Normal Pension Date on account of Ill-health the Maximum Permitted Pension calculated in accordance with paragraph (a) of this Rule on the basis of the Pensionable Service that the Class A Member would have completed had he remained in Pensionable Service until his Normal Pension Date Final Remuneration being computed as at the actual date of retirement.
- (c) On leaving Pensionable Service before attaining age 75, a pension of 1/60th of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased by 5% for each complete year or if greater, in proportion to any increase in the Retail Prices 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 Social Security legislation is also allowable.

For the purposes of this Rule 29:

- (i) benefits for a Class A Member are further restricted to ensure that his total retirement benefit from the Scheme and from any Associated Scheme or Connected Scheme does not exceed a pension of 1/30th of the Permitted Maximum for each year of service, subject to a maximum of 20/30ths. For the purpose of this limit, service is the aggregate of Service and any period of service which gives rise to benefits under a Connected Scheme provided that no period is to be counted more than once
- (ii) in calculating the amount of the maximum yearly amount of any pension payable to a Class A Member the pension equivalent of any retirement benefits which have become or may become payable otherwise than in pension form is one twelfth of its total cash value.

Subject to Rule 31 the yearly amount of any pension (before the exercise of any option in respect thereof) payable under the Scheme to a Class B or Class C Member on retirement from Pensionable Service when aggregated with the pension equivalent of any retirement benefits which have become or may become payable to the Class B or Class C Member under the Scheme otherwise than in pension form and with any pension and the pension equivalent of any other retirement benefits payable to him under any Associated Scheme shall not exceed:

- (aa) On retirement from Pensionable Service at or before Normal Pension Date the Maximum Permitted Pension which is the greater of
 - (i) 1/60th of the Class B or Class C Members Final Remuneration for each year of Service subject to a maximum of 40 years and

- (ii) such greater amount as will not prejudice Approval
- (bb) On retirement from Pensionable Service before the Normal Pension Date on account of Ill-health the Maximum Permitted Pension calculated in accordance with paragraph (aa) of this Rule on the basis of the Pensionable Service that the Class B or Class C Member would have completed had he remained in Pensionable Service until his Normal Pension Date Final Remuneration being computed as at the actual date of retirement.
- (cc) On commencement of the pension after the Normal Pension Date the greatest of
 - (i) the amount calculated in accordance with paragraph (aa) of this Rule on the basis that the actual date of retirement was the Class B or Class C Member's Normal Pension Date
 - (ii) the amount which could have been provided at Normal Pension Date in accordance with paragraph (aa) of this Rule increased either actuarially in respect of the period of deferment or in proportion to any increase in the Retail Prices Index during that period and
 - (iii) where the Class B or Class C Member's total Service has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Service before Normal Pension Date (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Service after Normal Pension Date, with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (cc)(i) and (cc)(iii) above as at the actual date of retirement but subject always to the next immediately following paragraph.

If a Class B or Class C Member elects under Rule 21 to take any part of his benefits under the Scheme in advance of actual retirement, the limits set out above and in Rule 30 (cc) shall apply as if he had retired at the date of the election as aforesaid, no account being taken of subsequent Service, save that the maximum amount of any uncommuted pension not commencing immediately may be increased by such amount as the Trustees on the advice of the Actuary shall determine or in proportion to any increase in the Retail Prices Index during that period.

- (dd) On leaving Pensionable Service before Normal Pension Date, a pension of 1/60th of the Class B or C Member's Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased by 5% for each complete year or if greater, in proportion to any increase in the Retail Prices 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 Social Security legislation is also allowable.

30. MAXIMUM LUMP SUM ON RETIREMENT

The lump sum payable under the Scheme in respect of a Class A Member in exercise of the option set out in Rule 21 when added to any lump sum payable under the Associated Scheme in similar circumstances shall not exceed:

- (a) On retirement from Pensionable Service at any time between attaining age 50 and attaining age 75, except before Normal Pension Date on grounds of Ill-health the greater of:
 - (i) 3/80ths of the Class A Member's Final Remuneration for each year of Service subject to a maximum of 40 and
 - (ii) such greater amount as will not prejudice Approval.
- (b) On retirement from Pensionable Service before the Normal Pension Date on account of Ill-health the amount calculated in accordance with paragraph (a) of this Rule on the basis of the Pensionable Service

that the Class A Member would have completed had he remained in Pensionable Service until his Normal Pension Date Final Remuneration being computed as at the actual date of retirement.

- (c) On leaving Pensionable Service before attaining age 75, a lump sum of 3/80ths of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased in proportion to any increase in the Retail Prices Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

Subject to Rule 31 the lump sum payable under the Scheme in respect of a Class B or Class C Member in exercise of the option set out in Rule 21 when added to any lump sum payable under any Associated Scheme in similar circumstances shall not exceed:

- (aa) On retirement from Pensionable Service at or before Normal Pension Date the greater of:
 - (i) 3/80ths of the Class B or Class C Member's Final Remuneration for each year of Service subject to a maximum of 40 and
 - (ii) such greater amount as will not prejudice Approval.
- (bb) On retirement from Pensionable Service before the Normal Pension Date on account of Ill-health the amount calculated in accordance with paragraph (aa) of this Rule on the basis of the Service that the Class B or Class C Member would have completed had he remained in Service until his Normal Pension Date Final Remuneration being computed as at the actual date of retirement.
- (cc) On payment of the lump sum after the Normal Pension Date the greatest of:
 - (i) the amount calculated in accordance with paragraph (aa) of this Rule on the basis that the actual date of retirement was the Class B or Class C Member's Normal Pension Date,
 - (ii) the amount which could have been provided at Normal Pension Date in accordance with paragraph (aa) of this Rule together with an amount representing interest thereon, and
 - (iii) where the Class B or Class C Member's total Service has exceeded 40 years, the aggregate of 3/80ths of Final Remuneration for each year of Service before Normal Pension Date (not exceeding 40 such years) and of a further 3/80ths of Final Remuneration for each year of Service after Normal Pension Date, with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (cc)(i) and (cc)(iii) above as at the actual date of retirement but subject always to the final paragraph of Rule 29 (cc) above.

- (dd) On leaving Pensionable Service before Normal Pension Date, a lump sum of 3/80ths of the Class B or Class C Member's Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased in proportion to any increase in the Retail Prices Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

31. LIMITATION FOR CONTROLLING DIRECTORS

- (i) Rules 29 and 30 shall be modified in their application to a Class B or Class C Member who is or has been a Controlling Director so that the Maximum Permitted Pension and the Maximum Lump Sum on Retirement shall be reduced, where necessary for Approval, so as to take account of any corresponding benefits under either a retirement annuity contract or trust scheme approved under Chapter III of Part XIV of the Act or a personal pension scheme approved under Chapter IV of Part XIV of the Act.

- (ii) In relation to a Class B or Class C Member who is a Controlling Director at his Normal Pension Date:-
 - (a) where retirement takes place after Normal Pension Date but not later than the Member's 70th birthday paragraph (cc)(ii) and (cc)(iii) of Rule 29 and (cc)(ii) and (cc)(iii) of Rule 30 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 Pension Date, so as not to treat as Service after Normal Pension Date any Service before the Member reaches the age of 70.
 - (b) where the final paragraph of Rule 29(cc) applies to a Member, 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 Retail Prices Index during that period.

32. MAXIMUM LUMP SUM BENEFITS ON DEATH

The amount of any lump sum payable on the death of a Class A Member while in Service or (having left Service with a deferred pension) before the commencement of his pension when added to any lump sum payable on the Class A Member's death under any Associated Scheme shall not exceed whichever is the greatest of:

- (i) £5,000 and
- (ii) Four times the greater of the annual rate subject to the Permitted Maximum of the Class A Member's basic salary or wages at the date of death together with the yearly average of Fluctuating Emoluments received in the 3 years (or the whole period of Service if less) up to the date of death or leaving Pensionable Service and his Final Remuneration disregarding proviso (i) of that Definition less in either case Retained Death Benefits.

Provided that in any case any benefit which corresponds to the contributions paid by the Class A Member (with or without interest) shall not be taken into account.

The amount of any lump sum payable on the death of a Class B or Class C Member when added to any lump sum payable on the Class B or Class C Member's death under any Associated Scheme shall not exceed:

- (a) where death occurs in Service before the Normal Pension Date whichever is the greater of:
 - (i) £5,000 and
 - (ii) Four times the greater of the annual rate of the Class B or Class C Member's basic salary or wages at the date of death together with the yearly average of Fluctuating Emoluments received in the 3 years (or the whole period of Service if less) up to the date of death or leaving Pensionable Service and his Final Remuneration disregarding proviso (i) of that Definition less in either case Retained Death Benefits.

Provided that in any case any benefit which corresponds to the contributions paid by the Class B or Class C Member (with or without interest) shall not be taken into account.

- (b) where death occurs in Service after the Normal Pension Date and before the Class B or Class C Member has received any benefits under the Scheme: the aggregate of
 - (i) the maximum cash sum under Rule 30 and
 - (ii) five times the maximum yearly pension under Rule 29 reduced by such amount as the Trustees shall determine as being the pension equivalent of such maximum cash sum.
- (c) where death occurs after the Class B or Class C Member has received a cash sum under Rule 21 but before his pension has commenced: five times the maximum yearly pension under Rule 29 reduced by

such amount as the Trustees shall determine as being the pension equivalent of the cash sum he has received.

- (d) if any pension has been paid to the Class B or Class C Member in accordance with the Rules prior to the date of his death: the amount which would be required to complete five years pension payments to him taking for this purpose instalments of pension falling due after his death as being at the maximum rate which could have been paid to him in accordance with the Rules making allowances for any reduction required by consequence of the exercise by him of an option under the Rules.

33. MAXIMUM PENSION PAYABLE TO WIDOW WIDOWER OR DEPENDENT RELATIVE

- (a) The aggregate annual amount of a pension payable under the Scheme to a Member's widow or widower or Dependant (otherwise than by the exercise of the option under Rule 23) when aggregated with any pension so payable to that widow, widower, or Dependents under any Associated Scheme shall not exceed:

- (i) in the case of pensions payable in respect of a widow or widower or Dependents of a Member who dies in Service an amount equal to two thirds of the aggregate maximum pension in respect of the Member which could be provided under the provision of Rule 29(b) or Rule 29(bb) had the Member retired from Service on the date of his death on account of Ill-health or such greater amount as will not prejudice Approval.

- (ii) in the case of a pension payable in respect of a widow or widower or Dependents of a Member who dies after retirement from Service an amount equal to two-thirds of the aggregate maximum pension which the Member could have been receiving at the date of his death under the Scheme and any Associated Scheme, or could have received as a deferred benefit payable at Normal Pension Date under the Scheme and any Associated Scheme, without prejudicing Approval, ignoring for this purpose any reduction in maximum pension necessitated by the exercise of any option by the Member.

- (b) The aggregate amount of all pensions payable under the Scheme to the widow or widower and to Dependents of any Member under the Scheme when aggregated with the pensions so payable under any Associated Scheme shall not exceed the full amount of the aggregate maximum pension referred to in sub-paragraph (i) or (ii) as the case may be of paragraph (a) of this Rule or such greater sum as will not prejudice Approval.

34. MAXIMUM INCREASE IN THE AMOUNT OF PENSIONS WHICH HAVE BECOME PAYABLE

- (a) Subject to paragraphs (b) (c) and (d) of this Rule no increase shall be made in the amount of any pension which has become payable to any person under the Scheme which shall cause the pension to exceed the maximum pension which could have been paid to that person at the date on which the said pension commenced increased in proportion to the increase in the Retail Prices Index from the date the said pension commenced to the date of the increase.

Any pension which has become payable under the Scheme to any Member or to any Member's widow or widower shall increase by the lower of the increase in the Retail Prices Index or five per cent per annum in respect of contributions relating to Pensionable Service on or after 5th April 1997.

- (b) Where an option has been exercised by a Member under Rule 21 the maximum pension which could have been paid to the Member from the date on which the Member's pension commenced is to be reduced by the amount of pension given up if the Actuary has taken expected increases in the pension commuted into account in advising the Trustees of the equivalence between the lump sum and the pension commuted.

- (c) Where an option has been exercised by a Member under Rule 21 the maximum pension which may be

paid to a Member in any year shall be reduced by the amount of pension given up if the Actuary has not taken expected increases in the pension commuted into account in advising the Trustees of the equivalence between the lump sum and the pension commuted.

- (d) Where an option has been exercised by a Member under Rule 23 with the result that the aggregate of the widow's or widower's and Dependents' pensions prospectively payable on the Member's death exceeds the limit set out in Rule 33(a)(ii) the maximum pension which could have been paid to the Member from the date on which the Member's pension commenced is to be reduced for the purpose of this Rule by the amount of pension given up in order to secure the excess
- (e) Where a Member receives a pension under an Associated Scheme this Rule relates to the aggregate of the pensions payable to him under that scheme and the Scheme and references to an option under Rules 21 or 23 include any corresponding options under the Associated Scheme.
- (f) Notwithstanding the foregoing, the amount of any pension of a Class A Member which may be increased under any provision of the Scheme to take account of increases in the cost of living may not notionally include any amount of pension which has been commuted for a lump sum.

35. SPECIAL CONDITIONS

(i) 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.

(ii) Payment of Benefits

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

- (a) that a Class A Member's retirement benefit shall be paid no later than the date on which he attains age 75, and
- (b) subject to (a) above that no part of a Class A Member's retirement benefit shall be paid in advance of actual retirement or leaving service except to the extent necessary to comply with the requirements of the Social Security Pensions Act 1975.

(iii) Return of Surplus Funds

Where the application of Rule 29 requires the Member's pension to be restricted and the Member has paid additional voluntary contributions to supplement scheme benefits, that restriction shall first be effected on those supplementary benefits so as to permit the repayment of the surplus additional voluntary contributions subject to section 599A of the Act.

36. TEMPORARY ABSENCE

A Member who is temporarily absent from work through illness or other cause approved by the Participating Employer shall remain a Member during his absence for a period of twelve months and thereafter:

- (i) if absence from duty arises from sickness or injury for such period as the Trustees shall determine

- (ii) if absence from duty arises from full-time education in connection with the Member's Service or secondment to another employer for such period not exceeding three years (or ten years in the case of a Member who remains resident in the United Kingdom) as the Trustees shall determine

and thereafter and in any other case on the expiry of twelve months unless the Trustees at the request of the Principal Employers with the consent of the Board decide to the contrary the Member shall be treated as having left Service and shall be entitled to benefits in accordance with Rules 14, 15, 16 and 17.

The amount of any benefit payable on the death of the Member occurring during or after any such period of absence shall be subject to such limitations or restrictions as the Trustees shall decide.

The following provisions shall apply in respect of contributions payable by and any other benefit in respect of the Member during such period under the Scheme namely:

- (a) in respect of any such period during which remuneration continues to be paid by a Participating Employer the amount of such contributions and any such benefit shall subject to paragraph (c) and (d) below continue to be calculated in accordance with the Rules by reference to such remuneration
- (b) in respect of any such period during which no remuneration is paid by a Participating Employer subject to paragraph (d) below no such contributions shall be payable and no such benefit shall accrue
- (c) the amount of any such contributions and any such benefit which is calculated under the Rules otherwise than by reference to the Member's remuneration shall be determined by the Trustees and
- (d) if the Principal Employer so determines the amount of any such contributions and any such benefit shall in lieu of being the amounts calculated by reference to paragraphs (a) or (b) be such greater amounts as the Principal Employer may specify (subject in the case of contributions to the agreement of the Member) and notify to the Trustees being amounts not exceeding the amounts calculated in accordance with the Rules by reference to the Member's remuneration immediately before such period commenced increased where appropriate having regard to any increase in remuneration which may have been made during such period in respect of employees of the Participating Employer in the same category of employment.

37. SURPLUS MONIES

If and to extent that any Member's actuarial interest in the Scheme is greater than the amount which may be utilised to provide benefits for and in respect of that Member under the provisions of the Scheme the Trustees shall have power at their discretion (i) to apply such excess by correspondingly increasing the actuarial interest in the Scheme of another Member or Members or (ii) subject to the prior consent of the Board and the deduction of tax under Section 601 of the Act to repay an amount not exceeding such excess to the Principal Employer or to another Participating Employer or Employers.

38. ARREARS OF MEMBER'S CONTRIBUTIONS

In any case where contributions being payable by a Member under the Rules in any Scheme Year have not been fully paid the amount of any benefit or benefits payable in respect of the Member under the Scheme shall be adjusted to such amount as the Trustees on the advice of the Actuary shall determine to be appropriate to the circumstances.

39. READMISSION

An Eligible Employee who has ceased to be a Member shall be readmitted as a Member under the Scheme only with the consent of the Principal Employer and subject to such conditions and such terms (including variation of his rights to benefits) as the Trustees consider appropriate.

40. CLAIMANTS UNABLE TO ACT

If in the opinion of the Trustees a Member or other person to whom a benefit is apart from this Rule due to be paid is unable to manage his affairs because

- (i) he is an infant or
- (ii) he is suffering from any physical or mental incapacity the Trustees may in their discretion pay such benefit or any part thereof to the parent or guardian of the infant or in the case of any person under (ii) above to such person or institution as the Trustees consider to have the care of such Member or person entitled to benefits or to any Relative or Dependant of such Member or person entitled to benefits without being bound to see to the application thereof and a receipt given by the person or institution to whom such benefit is paid in accordance with these provisions shall be a complete discharge to the Trustees for such payment.

41. SPECIAL PAYMENTS TO WIDOW OR NEXT OF KIN

Any sum or sums of money which may become payable under the Scheme to the personal representatives of a deceased person whether by way of outstanding instalments of pension or otherwise may at the discretion of the Trustees be paid either to the widow or widower or to any of the next of kin of such deceased person but so that the aggregate amount of the sum or sums paid in accordance with this Rule in respect of any deceased person shall not exceed £500. The Trustees shall not be bound to see to the application of any sum or sums so paid and a receipt given by the person to whom payment is so made shall be a complete discharge to the Trustees for such payment in the like manner as if it had been given by the personal representatives of the deceased person and such personal representatives and any person claiming through such deceased person shall not have any right whatsoever to resort to the Scheme in respect of any sum or sums so paid.

42. NON-ASSIGNABILITY OF BENEFITS

If a Member or other person entitled to benefits under the Scheme attempts to assign charge or in any way anticipate his beneficial interest under the Scheme or any part thereof other than as explicitly provided by the Rules then that person's interest shall cease and determine and no benefits shall be payable to or in respect of him save that the Trustees may in their absolute discretion in cases of hardship hold pay or apply the same or any part thereof to or for the maintenance personal support or benefit of the Member or person otherwise entitled to benefit and the wife or husband and Dependents of such Member or person in such proportions as the Trustees shall in their absolute discretion decide provided always that no payment shall be made directly or indirectly to or for the benefit of any purported assignee.

43. TRUSTEES' POWERS TO SECURE BENEFITS BY A PAID-UP POLICY

The Trustees may at any time in their discretion with the consent of a person entitled or prospectively entitled to a benefit under the Scheme (whether immediate deferred or contingent) purchase or provide in the name of such person or in the name of Trustees for the benefit of such person or as the case may be assign to such person or Trustees as aforesaid a Paid-up Policy to secure benefits as nearly as may be of the same kind and amounts respectively as the benefits to which such person is entitled or prospectively entitled under the Scheme or, where the person in question so elects and Approval of the Scheme would not be prejudiced to secure benefits different from those to which the person is entitled or prospectively entitled under the Scheme and notwithstanding that one or more person may thereby cease to be entitled or prospectively entitled to benefit by reference to the Member's period of membership of the Scheme or, as the case may be, become entitled or prospectively entitled to benefits of a lesser value or subject to different terms and conditions. A person for whose benefit a Paid-up Policy has been so purchased or provided shall not be entitled to any other benefit under the Scheme and such person his personal representatives and any person claiming through him shall cease to have any right whatsoever to resort to the Scheme in respect of the benefits so secured.

44. RIGHTS OF PARTICIPATING EMPLOYERS RELATING TO EMPLOYEES

Nothing in the Rules shall restrict the right of a Participating Employer to dismiss any employee or to reduce any employee's remuneration neither shall expectation of benefit to which a person might claim to be entitled

under the Rules be used as a ground for increasing damages in any action brought by such person against a Participating Employer.

45. TRANSFERS FROM ANOTHER SCHEME

- (a) The Trustees may if so requested by the Principal Employer (and subject to the prior written consent of the Board (if appropriate)) accept a transfer from the trustees or managers of another fund scheme or arrangement (referred to in this Rule as "the previous scheme") of all or any of the assets of the previous scheme in respect of a specified person who is entitled or contingently entitled to rights and benefits under the previous scheme and who is Eligible for Membership of the Scheme and the Transferring Member shall thereupon become a Member on such terms (consistent with Approval) as the Trustees shall in their discretion on the advice of the Actuary arrange with the trustees of the previous scheme or other persons aforesaid.
- (b) On any such transfer the Trustees shall obtain a certificate stating:
- (i) the extent (if any) to which such transfer arises from contributions paid by the Transferring Member to the previous scheme and the amount of those contributions paid prior to 6th April 1975. Such transfer (to the extent so certified) shall be deemed to be contributions paid by the Transferring Member under Rules and the Trustees shall ensure that no part of such transfer as does not arise from Transferred Employee Contributions shall be treated for any of the purposes of the Scheme as Member's contributions and
 - (ii) the amount of any contributions paid by the Transferring Member to the previous scheme which have been refunded to him and the date on which such refund was made and
 - (iii) the period of the Transferring Member's Qualifying Service in the previous scheme in respect of which benefits are to be provided to satisfy the requirements of the Social Security Act 1973 and
 - (iv) the period (if any) of the Transferring Member's Non-Participating Employment as a member of the previous scheme for which the Trustees shall be liable to ensure that equivalent pension benefits as defined in the National Insurance Act 1965 are provided and
 - (v) whether the right of the Transferring Member to take a refund of contributions was restricted under the previous scheme by reason of the operation of Inland Revenue restrictions. No option under the Scheme to take a refund of Transferred Employee Contributions shall apply to any Transferred Member whose rights were so restricted and
 - (vi) the extent to which having regard to Inland Revenue restrictions any such transfer can be paid under the Scheme (other than by way of a refund of Transferred Employee Contributions) in the form of a cash sum during the lifetime of the Transferring Member. Unless the Trustees with the approval of the Board otherwise determine no part of such transfer shall be paid in respect of the Transferring Member except to the extent so specified.
- (c) If the Transferring Member leaves Service otherwise than by retirement on pension and part of the transfer has been certified as arising from Transferred Employee Contributions paid before 6th April 1975 the Transferring Member may subject to paragraph b(v) of this Rule elect to receive a refund of such contributions less an amount equal to the tax for which the Trustees will become liable as a result of making such refund and on payment by the Trustees of such refund the rights of the Transferring Member under Rule 15 shall be reduced by that part of the Transferring Member's benefits (including benefits payable to any other person in respect of him) which in the opinion of the Trustees on the advice of the Actuary is attributable to the period during which such contributions were paid.
- (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.

- (e) For Class B or Class C Members pension benefits on retirement arising from a transfer value (other than from another scheme providing benefits in respect of Service) may be commuted only if and to the extent that a 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 Retail Prices Index since the date the transfer payment was received.

46. TRANSFERS TO ANOTHER SCHEME

If a Member having left Service and not being in receipt of a pension from the Scheme enters the employment of another employer in respect of which he becomes a member of a pension scheme or having not left Service and not being in receipt of a pension from the Scheme he becomes a member of another pension scheme of a Participating Employer Approved by the Board under Chapter I of Part XIV of the Act or of a personal pension scheme approved by the Board under Chapter IV of Part XIV of the Act or of a fund scheme or arrangement approved for the purposes of this Rule by the Board (hereinafter called "the later scheme") and whether or not the Member has attained his Normal Pension Date provided that no benefit has come into payment the Trustees may if they think fit and subject to the consent of the Principal Employer and the prior written consent of the Board (if appropriate) make a Transfer Payment subject to the following conditions:

- (a) the Trustees shall provide the trustees or managers of the later scheme with a certificate showing the amount (if any) of the Transfer Payment which is attributable to the Member's Contribution and if the Trustees had received a transfer payment in respect of the Member under Rule 45
 - (i) the amount of Transferred Employee Contributions which under Rule 45(b)(i) has been certified as having been paid before 6th April 1975 and
 - (ii) whether such a restriction as is mentioned in Rule 45(b)(v) had been notified to the Trustees
- (b) the Trustees shall obtain an undertaking from the trustees or managers of the later scheme that no more of the Transfer Payment will be treated as employee's contributions than is certified by the Trustees so to be and that a restriction will be placed if appropriate on the Member's right to a refund under the later scheme corresponding to any restriction imposed by the Rules and that such restriction will be maintained in any subsequent transfer
- (c) the Member shall release the Scheme from any rights or entitlement which might arise to or in respect of him under any of the Rules or if the Transfer Payment does not relate to the whole of his rights from the relevant part thereof and he shall thereupon cease to be entitled to any rights or benefits under the Scheme or the relevant part thereof.

The amount of the Transfer Payment shall be so much as is certified by the Actuary as the value of the Member's interest in the Scheme or the relevant part of it as the case may be. The Trustees shall not be in any way responsible for or required to enquire into the use and application of the Transfer Payment or in the rights and benefits granted to the Member under the later scheme in consideration of the making of it.

When on or after a transfer in respect of a Class B or C Member having been made to another occupational pension scheme the administrator of that scheme requests a certificate of the maximum lump sum payable on retirement from the transfer value, the Administrator shall make the calculation as at the date of transfer and supply the receiving scheme with such a certificate.

When making a transfer to an approved personal pension scheme the Administrator shall provide a certificate of the maximum lump sum payable on retirement from the transfer value if the transferring member:

- (a) was aged 45 or more at the time that the transfer payment was made, or
- (b) has at any time within the 10 years preceding the date on which the right to the cash equivalent being transferred arose, been, in respect of any employment to which the transfer payment or any part of it relates, either
 - (i) a Controlling Director, or

- (ii) in receipt of annual remuneration in excess of £60,000 or, if greater, the allowable maximum under section 640A(2) of the Act for the year of assessment in which the date of transfer falls, or
- (c) is entitled to benefits included in the transfer payment which arise from an occupational pension scheme under which the normal retirement age is 45 or less.

47. SUSPENSION OF CONTRIBUTIONS OF A PARTICIPATING EMPLOYER

A Participating Employer's contributions in respect of some or all of the benefits under the Scheme may be suspended by notice in writing to the Trustees and on notice as aforesaid being given may subject to Rule 48 be resumed upon such date as shall be agreed by the Trustees. Such notice (whether relating to suspension or resumption) shall specify (by category or otherwise) the persons to whom and the benefit to which the notice relates.

In the event of such suspension the amount of any benefit so specified which may become payable to or in respect of persons so specified after the beginning of such a period of suspension and the amount (if any) of contributions payable by them in respect of the period of suspension shall be adjusted by the Trustees on the advice of the Actuary by such amount as the Trustees shall determine to be appropriate. Provided that no such adjustment shall be such as to jeopardise Approval.

48. TRUSTEES' POWERS IN RELATION TO SUSPENDED CONTRIBUTIONS

If the contributions of the Participating Employer in respect of a specified category of person are suspended under Rule 47 for more than two years the Trustees may by notice in writing to the Participating Employer treat the suspension under Rule 47 as a termination under Rule 49 in respect of the persons in the specified category as from the date from which contributions were suspended.

49. TERMINATION OF CONTRIBUTIONS BY A PARTICIPATING EMPLOYER

A Participating Employer's contributions may be terminated at any time without the concurrence of any of the Members by notice in writing to the Trustees and may be similarly terminated only in respect of persons in a specified category and shall be terminated

- (a) in the case of a Participating Employer which ceases to be a Participating Employer on a date not later than the end of the Scheme Year following that in which such cessation occurs or
- (b) if any order is made or an effective resolution is passed for the winding-up of the Participating Employer other than for the purpose of reconstruction or amalgamation (whether partial or total) with any other company or
- (c) at any time in the event of the Participating Employer failing to observe or perform any of its obligations under the Scheme

and thereupon contributions payable by any person in respect of whom the Participating Employer's contributions have ceased shall also terminate.

In the event of the contributions of a Participating Employer being terminated as aforesaid Paid-up Policies securing benefits of the same amounts as in the opinion of the Trustees on the advice of the Actuary would have been provided if the contributions of all Participating Employers have been terminated shall (subject to Rule 51c and Rule 52) be provided in accordance with Rule 51 in respect of the following persons namely:

- (i) each Member then in the Service of such Participating Employer and where appropriate in such category
- (ii) each Member who on the date upon which he became entitled to a benefit under the Scheme was in the Service of such Participating Employer and where appropriate in such category and
- (iii) each person not included in (i) or (ii) and who is entitled or if contributions had not been terminated

as aforesaid would have been prospectively entitled to a benefit under the Scheme by reference to a period of Service (whether or not Service by that person) with such Participating Employer and where appropriate in such category.

Provided that:

- (1) Rule 51(b) shall apply only if and to such extent as the Trustees shall determine
- (2) If within a period not exceeding three months after the date upon which payment of contributions is terminated under this Rule any person to whom the above provisions would otherwise apply shall become an Eligible Employee of another of the Participating Employers the Trustees may determine that such period shall be treated as a period during which payment of contributions by such other Participating Employer in respect of such person is suspended under Rule 47 and that such Eligible Employer shall not be treated for the purpose of this Rule as having been employed by the first mentioned Participating Employer.

50. RECONSTRUCTION OR AMALGAMATION OF A PARTICIPATING EMPLOYER

If an order is made or an effective resolution passed for the winding up of a Participating Employer or if a Participating Employer is dissolved or transfers its undertaking or part thereof to another person or persons the Trustees may make such arrangements or enter into such agreement as they shall in their discretion think fit for the continuance of the Scheme or part of it or for its termination in part or in whole provided that in the case of continuance no Member or any person receiving benefits by reference to a deceased Member shall benefit to any lesser extent than in the opinion of the Trustees on the advice of the Actuary would have been the case if the Scheme had been terminated on the date of the making of the order or the passing of the resolution nor shall the moneys held by the Trustees from time to time in respect of the Scheme cease to form part of an Approved Scheme and provided further that in the case of termination the assets of the Scheme (or its relevant assets if the termination is partial) shall be dealt with in accordance with the provisions of Rule 49 or Rule 51 as may be more appropriate.

51. TERMINATION OF CONTRIBUTIONS BY ALL PARTICIPATING EMPLOYERS

- (a) If the contributions of all the Participating Employers are terminated under Rule 49 or if the Trustees resolve to determine the Scheme by reason that it appears to them after consulting the Actuary that the Scheme is insolvent or that they are advised by the Actuary to that effect or that the Principal Employer has terminated its liability under the Scheme in accordance with the provisions of Rule 49 or failed at any time to observe and perform any other of its obligations under the Scheme the Scheme shall subject to Rule 52 determine and on such determination
 - (i) no persons shall be entitled to any benefit under the Scheme otherwise than under this Rule or Rule 52
 - (ii) any sum or sums then held by the Trustees in respect of any deceased person shall thereupon be paid or applied in accordance with the provisions set out in Rule 24
 - (iii) the assets of the Scheme shall (subject to the exercise of any of the powers conferred by Rule 52 and subject to (iv) below) be realised and together with any money in hand be applied to purchase Paid up Policies securing benefits of such amounts as shall be determined by the Trustees on the advice of the Actuary to the intent that so far as the moneys available permit pension and lump sum benefits shall be secured of the same amounts and as nearly as may be subject to the same conditions as those payable or due or applicable under the Scheme at the date of termination and carrying the same rights and options as would have become available had the Scheme continued and the same restrictions (in particular the restrictions on commutation or surrender) as would have been imposed by the Rules had the Scheme continued and benefits continued to be purchased
 - (iv) if some or all of the assets of the Scheme consist of assurance or annuity policies, the Trustees may make such arrangements relating to them as they consider expedient to secure the

objectives set out in (iii) above

FIRST for all Members who have attained their Normal Pension Date all persons in receipt of pensions and any persons contingently entitled to a pension on the death after retirement of any such Member or person in receipt of a pension and all persons actually entitled to any cash sums which shall have become payable under the Rules and all persons who have rights and benefits under the Scheme in respect of a transfer of assets to the Scheme in accordance with the Rules to the extent of those benefits which relate to the assets so transferred.

SECONDLY for each Member who is entitled to a pension by virtue of Rule 14 and Rule 20 which has not commenced to be payable and each Member whose Normal Pension Date has not occurred and who is in the Service of a Participating Employer and all or any of the wife or husband or Dependants of any Member as the Trustees in their sole and absolute discretion shall determine.

- (b) If any balance of the Fund or assets of the Scheme remains after the purchase of benefits as aforesaid the Trustees shall augment all or any of the benefits provided under this Rule or provide Paid-up Policies in respect of any person who had the Scheme been maintained would have been entitled or prospectively entitled to benefits thereunder not being benefits provided under paragraph (a) of this Rule provided that if the assets of the Scheme are in excess of the amount required to secure the maximum benefits permissible within the terms of Rules 29 to 34 inclusive the balance of the Fund thereafter remaining shall be returned to the Participating Employers in such amounts as shall be determined by the Trustees on the advice of the Actuary subject to the prior consent of the Board and the deduction of tax under Section 601 of the Act
- (c) where a person is entitled to an immediate Trivial Pension or a person (other than a wife or husband or Dependent) is in exceptional circumstances of serious Ill-health the Trustees in lieu of providing a Paid-up Policy to secure an immediate pension under this Rule may pay to such person a cash sum of such amount as they shall determine
- (d) if the Trustees shall be unable to recover from the Participating Employer all or any part of the cost charges and expenses of and incidental to the realisation and distribution of the assets of the Scheme (including the remuneration of the auditors and any official appointed under the Rules) such costs charges and expenses or so much of them as is not recovered from the Participating Employer shall be a first charge upon and shall be payable out of the assets of the Scheme.
- (e) The Trustees shall notify each Member or person entitled to benefit from the Scheme in accordance with this Rule individually in writing to that effect.

52. ALTERNATIVE PROVISIONS ON TERMINATION OF CONTRIBUTIONS BY PARTICIPATING EMPLOYERS

The Trustees shall have the following powers in the event of the contributions of any Participating Employer being terminated under Rule 49 or 51 and whether or not in respect of a specified category of persons

- (a) The Trustees may determine that in respect of any person to whom the provisions for disposal contained in Rule 51 would otherwise have applied the Member whose Service gave rise to the entitlement or prospective entitlement in question shall be treated as having left Service on the date of termination of the Scheme.
- (b) The Trustees may in their discretion and subject to the prior agreement of the Board determine that in respect of any person or persons to whom the provisions for disposal contained in Rule 51 would otherwise have applied in lieu of such provisions the Scheme shall be amended by such conditions as may be required by the Board and maintained for such period as the Trustees shall determine and during such period such person or persons shall continue to be entitled or as the case may be in the event which happens become entitled subject to the Rules to the appropriate benefit or benefits specified in them provided that no benefit or benefits shall accrue in respect of any Service after the date upon which payment of contributions terminated and the amount of any benefit or benefits other than a

benefit the amount of which is calculated by reference only to Members Contributions shall be of such amount or amounts as the Trustees shall determine on the advice of the Actuary.

53. ADMINISTRATION AND MANAGEMENT OF THE SCHEME

The administration and management of the Scheme shall be vested in the Trustees who shall be the Administrator for the purposes of the Act.

54. TRUSTEES' GENERAL POWERS OF DETERMINATION

Subject to the powers to be exercised by a Participating Employer as herein expressed the Trustees shall have full power to determine whether or not any person is entitled from time to time to any benefit or payment in accordance with the Scheme and in deciding any question of fact they shall be at liberty to act upon such evidence or presumption as they shall in their discretion think sufficient whether or not such evidence or presumption would be acceptable in a Court of Law Subject as aforesaid the Trustees shall also have power exclusively to determine all questions and matters of doubt arising on or in connection with the Scheme its construction the interpretation of its Rules and the benefits thereunder.

55. TRUSTEES' MEETINGS

Unless a corporation or company is for the time being sole trustee hereof the following provisions shall apply:

- (a) The Trustees shall appoint a secretary and shall meet at such times and at such place as they shall decide and shall make regulations for the conduct of their business the summoning of meetings the appointment of chairman the recording of resolutions and all other matters in connection with their work.

A special meeting may be called by any one of the Trustees and shall be called by the secretary at the direction of the Trustees or any one of them.

At every meeting of the Trustees all questions shall be decided by the unanimous decision of the Trustees other than the Pensioner Trustee provided that no decision shall be valid unless agreed by the Pensioner Trustee which agreement shall not however be withheld unless in the opinion of the Pensioner Trustee the decision would

- (i) be inconsistent with the main purpose of the Scheme or
 - (ii) would otherwise be inconsistent with Approval.
- (b) Subject to Rule 56 the Trustees shall exercise their powers and execute their duties under the Scheme by resolutions passed at meetings of the Trustees provided that a resolution in writing of which notice has been given to each Trustee individually shall if signed by the Pensioner Trustee and all of the remaining Trustees be as effectual as if it had been passed at a meeting of the Trustees and for this purpose a signature to a copy of a resolution shall be treated as a signature to the original.

56. CORPORATE TRUSTEE

A corporate trustee may act through any one of its directors or its Secretary or through a person appointed for the purpose and any such appointment may be of one person or of one or more persons alternatively identified either by name or by reference to the holding for the time being of a specified office.

Any corporate body appointed as Trustee shall be entitled to be paid for its services and the Principal Employer shall pay such Trustee for the same in accordance with the scale of charges from time to time agreed by it with such Trustee and such Trustee shall not be liable to account for any remuneration received by it as such.

57. ACCOUNTS AND ACTUARIAL VALUATIONS

The Trustees shall cause true and full accounts to be kept of all monies passing through their hands and also a record of all persons receiving benefits and of all other matters proper to be recorded so as to show the full facts relating to the Scheme.

The Trustees shall cause the Actuary to carry out an actuarial valuation of the Scheme at such dates as the Trustees consider to be appropriate provided that the interval between the dates as at which such actuarial valuations are carried out shall not exceed three years.

58. AUDIT OF ACCOUNTS

The Trustees shall cause their accounts to be audited annually by the auditors appointed as hereinafter mentioned and once in every year shall make and sign a report on such accounts which shall be open to inspection by any Member or any Director or Officer of a Participating Employer at the principal place of business for the time being of the Principal Employer. Copies of the reports of the Trustees shall also be open to inspection by such persons as aforesaid at such other offices of a Participating Employer as the Trustees may from time to time determine.

NOTWITHSTANDING the above provided that all of the Members of the Scheme are also Trustees of the Scheme and all decisions are made only by the unanimous decision of the Trustees who are Members the Trustees can decide not to have their accounts audited.

59. APPOINTMENT OR REMOVAL OF OFFICERS

The Trustees shall from time to time appoint and may from time to time remove one or more auditors and actuaries and may appoint such other officers as they consider necessary for the proper management of the Scheme upon such terms as to their tenure of office duties and remuneration as the Trustees may think fit subject in the matter of remuneration to the consent of the Principal Employer.

60. DELEGATION OF TRUSTEES' POWER

Except where it is inconsistent with any other provision of the Deed or of the Rules including (but not only) Clauses 18(iv) and 20 of the Deed the Trustees may with the consent of the Principal Employer delegate all or any of the powers duties and discretions conferred upon them under the Deed or the Rules or by statute or otherwise for any period to any person whether or not incorporated and whether or not a Trustee and shall not be responsible for any loss thereby arising.

In particular without prejudice to the generality of their powers under this Rule the Trustees may from time to time authorise such persons as they shall think fit whether or not a Trustee to draw cheques on any banking account or to endorse any cheques or to give receipts and discharges for any moneys or other property payable transferable or deliverable to the Trustees or any of them and every such receipt or discharge shall be as valid and effectual as if it were given by the Trustees.

The production of a written authority of the Trustees as aforesaid shall be a sufficient protection to any debtor or other person taking any such receipt or discharge as aforesaid and unless such debtor or other person shall have received express notice in writing of the revocation of such authority he shall be entitled to assume and act on the assumption that the authority remains unrevoked.

61. ARBITRATION

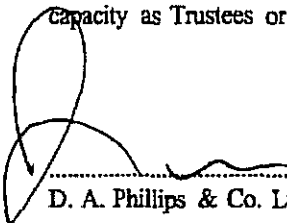
Save where by the Deed or the Rules the decision of the Trustees is explicitly made conclusive or a Participating Employer or the Pensioner Trustee or the Actuary is given discretion or power of final determination all differences arising out of the Scheme shall be referred to a single Arbitrator to be appointed in writing by the parties to the difference or if they cannot agree upon a single Arbitrator to several Arbitrators one to be appointed in writing by each party and such Arbitrators before commencing their investigations shall elect an Umpire.

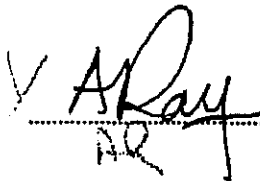
In all other respect such arbitration shall be subject to the statutory provisions for the time being in force relating to arbitration.

62. SURPLUS AVC REGULATIONS

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.

For identification these Rules have been signed below by all who have either signed the Deed in a personal capacity as Trustees or who have witnessed the impression of a company seal.


D. A. Phillips & Co. Ltd.


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MEMORANDUM OF THE PRINCIPAL EMPLOYER
AND THE TRUSTEES OF THE

PENSION SCHEME ("THE SCHEME")

The Trustees are empowered by the trust deeds governing the Scheme to amend the Rules of the Scheme by instrument in writing.

The Trustees wish to extend the Rules and the Principal Employer by signing this Memorandum consents to this amendment.

With effect from the date of this Memorandum the Rules are extended by the addition of Rule 63 below.

"63. PENSION SHARING ON DIVORCE

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

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

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

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

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

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

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

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

- (2) Rule 42 is amended to permit the assignment of part or all of the Member's retirement benefits or rights to benefits under the Scheme to his/her Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision.
- (3) Notwithstanding any other provisions of the Rules, the benefits for a Pension Debit Member are additionally subject to the following limits, subject to compliance with Social Security legislation;
- (i) The pension shall not exceed the Maximum Permitted Pension in Rule 29 less the Negative Deferred Pension in this Scheme and the Negative Deferred Pension in any Associated Scheme and, furthermore in the case of a Class A Member the Negative Deferred Pension in any Connected Scheme.
 - (ii) The lump sum from this and any Associated Scheme shall not exceed;
 - (a) for the Pension Debit Members who are Class A Members or Class B Members, an amount determined by $2.25 \times$ the initial annual pension payable
 - (b) for Pension Debit Members who are Class C Members, an amount of the greater of:
 - (I) $2.25 \times$ the initial annual pension payable or,
 - (II) an amount determined in accordance with Rule 30 as if there had been no Pension Debit, less $2.25 \times$ the Negative Deferred Pension.
- For the purpose of this Rule, the initial annual pension should be calculated on the following basis;
- (aa) if the pension payable for the year changes, the initial pension payable should be taken;
 - (bb) it should be assumed that the Pension Debit Member will survive for a year;
 - (cc) the effect of commutation should be ignored.
- (iii) On the death of the Pension Debit Member, any pension for a Dependant shall not exceed $\frac{2}{3} \times$ an amount determined in accordance with Rule 33 as if there had been no Pension Debit, less the Negative Deferred Pension and the Negative Deferred Pension in any Associated Scheme and, furthermore in the case of a Class A Member the Negative Deferred Pension in any Connected Scheme. Where more than one pension is to be paid the total of all the pensions cannot exceed 100% of an amount determined in accordance with Rule 33 as if there had been no Pension Debit, less the Negative Deferred Pension and the Negative Deferred Pension in any Associated Scheme and, furthermore in the case of a Class A Member the Negative Deferred Pension in any Connected Scheme.
- (4) The Trustees must give full details of the Pension Debit and a lump sum certificate specifying the maximum permissible lump sum, to the receiving scheme/arrangement where the fund underlying the benefits for a Pension Debit Member is transferred to another scheme approved under Chapter I Part XIV of the Act or a scheme approved under Chapter IV Part XIV of the Act.
- (5) Where the Trustees accept a transfer payment and are informed by the transferer of the details of a Pension Debit relating to the transfer payment, the Trustees must take account of the Pension Debit, if appropriate, in the calculation of any limit on benefits for that Member. If a transfer of the fund underlying the benefits for the Member is made to a scheme approved under Chapter I Part XIV of the Act or a scheme approved under Chapter IV Part XIV of the Act, the Trustees must give full details of the Pension Debit to the receiving scheme/arrangement.
- (6) If the Ex-Spouse dies after a Pension Sharing Order, agreement or equivalent provision is made but before it is acted upon by the Trustees, the following benefits may be paid.

A lump sum death benefit may be paid in accordance with Rule 24. For the purposes of this Rule, the word 'Member' in Rule 24 shall be read as 'Ex-Spouse'.

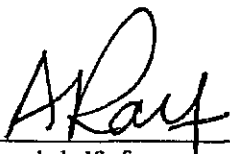
The lump sum is limited to 25% of what would have been the cash equivalent of the fund which would have provided the Pension Credit Rights for the Ex-Spouse. The balance of the fund may be used to provide a non-commutable pension to a Dependant of the Ex-Spouse.

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

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

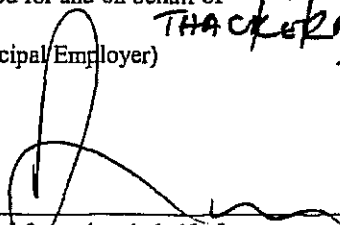
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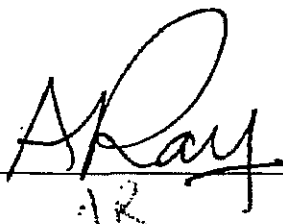
Signed for and on behalf of
THACKERAY LIMITED
(Principal Employer)

Director



Signed for and on behalf of
D. A. PHILLIPS & CO. LIMITED
(Trustee)

Director

X 

(Trustee)

(Trustee)

(Trustee)