**SECOND DEFINITIVE TRUST DEED AND RULES**

Dated:

SECOND DEFINITIVE TRUST DEED AND RULES

Of

CARLTON JAMES RETIREMENT FUND

(The Scheme)

THIS SECOND DEFINITIVE TRUST DEED ("the Deed") is made on the XXXXXXXXX and includes the rules ("the Rules") which are contained in the schedule to the Deed ("the Schedule").

Parties:

1. Carlton James Private And Commercial Ltd(company number 09074495) (in this deed called the 'Principal Employer') of Lime Kiln House Lime Kiln, Royal Wootton Bassett, Swindon, Wiltshire, SN4 7HF
2. Workplace Pension Trustees Limited (Co. Reg. No. 08533061) whose registered office is at 5300 Lakeside, Cheadle SK8 3GP, Robert Alastair Holmes of 17 Beranburh Field, Wroughton, Swindon, SN4 0QL and Simon Christopher Calton of 67 Britten Road, Swindon, SN25 2HQ (in this Deed called the “Trustees”)

WHEREAS:

This Deed is supplemental to the First Definitive Deed and Rules dated the 12th day of August 2014.

The Trustees and the Principal Employer wish to cancel the existing provisions of the Scheme and to replace them with the terms of this Trust Deed and the rules scheduled hereto (the "Rules") whereby the Principal Employer wishes to establish an occupational pension scheme under irrevocable trusts to be known as Carlton James Retirement Fund (the "Scheme") for the principal purpose of providing retirement benefits for the benefit of its employees and the employees of any other participating Employer (as defined), and individuals invited by the Trustees who are admitted to membership of the Scheme in accordance with the terms of the Deed and the Rules and the beneficiaries of such persons.

Anything done by the Trustees before the date of this Deed which would have been valid if this Deed had then been in force shall be deemed to have been properly done by the Trustees and they shall be indemnified out of the Fund.

The Trustees declare that they hold the assets of the Scheme and all contributions and other moneys paid to them in accordance with this Deed and Rules on trust to:

1. continue payment of all pensions payable out of the Fund before the date of this Deed and to pay deferred pensions granted before the date of this Deed on the same terms as applied under the provisions in force before the date of this Deed;
2. continue payment of all pensions currently payable but which became payable after the date of this Deed;
3. apply the assets to provide relevant benefits as defined in section 612 of the Income and Corporation Taxes Act 1988 in accordance with this Deed and Rules.

Pursuant to the powers to amend the Scheme in the rules in force before the date of this Deed the Principal Employer and the Trustees declare that the provisions of this Deed and of the Rules contained in the Schedule shall in relation to Members in Service on the date of this Deed and employees who join the Scheme afterwards comprise the provisions of the Scheme to the exclusion of the provisions previously in force and this Deed and the Rules shall be deemed to have come into operation as from the date of this Deed.

Anything done by the Trustees before the date of this Deed which would have been valid if this Deed had then been in force shall be deemed to have been properly done by the Trustees and they shall be indemnified out of the Fund.

NOW THIS DEED WITNESSES that The Scheme came into operation on 12 August 2014 and this Deed and Rules shall be deemed to have come into operation on the date of this Deed in the following manner:-

PART 1 – THE CLAUSES

1. Governing Provisions
   1. The Trustees will hold and manage the Scheme under irrevocable trusts and will administer it as provided in the Deed and the Rules. The main purpose of the Scheme is the provision for the Members and Pensioners of benefits under a Registered Pension Scheme.
   2. The Principal Employer covenants with the Trustees by the Deed to observe and perform such of the conditions, stipulations and provisions which ought to be observed and performed by the Principal Employer until the winding-up and dissolution of the Scheme.
   3. The provisions of the Trust Deed are subject to compliance with the Finance Act 2004, the Pensions Act 2004, the Civil Partnership Act 2004, the Welfare Reform and Pensions Act 1999, the Pensions Act, the Occupational Pension Schemes (Equal Treatment) Regulations 1995 (SI 1995/3183) and other relevant statutory requirements. The Scheme shall comply with the equalisation legislation and the pensions sharing on divorce provisions in Appendix I.

A Civil Partner or an ex-Civil Partner in receipt of a Pension Credit shall have the same rights under the Scheme as a Spouse, a widow or widower, or an ex-Spouse in receipt of a Pension Credit, as appropriate.

* 1. No person whether as a Member or otherwise shall have any claim, right or interest upon to or in respect of the Fund or any contribution thereto or any interest therein or any claim in relation to the Scheme upon or against the Trustees or the Employers except under and in accordance with the provisions of the Deed and the Rules.

1. Interpretations
   1. Any reference in the Deed or Rules to an enactment or regulation shall mean that enactment or regulation as consolidated, amended, modified or re-enacted from time to time.
   2. All words in the Deed or Rules using the singular shall include the plural and vice versa unless the context requires otherwise.
   3. Where the context admits, the interpretation of the Deed or Rules shall be governed by the definitions in Rule I.
   4. The headings and marginal notes shall not affect the interpretation of the Deed or of the Rules.
   5. If the Trustees are satisfied that there is an error in the provisions of the Deed or the Rules, and the Principal Employer agrees, the Trustees and the Principal Employer are required to amend the provisions to correct it as if the error has never been made. The amendment must be made using the procedure laid down in the power of alteration in Clause 16.

Where a provision of the Deed or Rules refers to the consent of the Principal Employer or another Employer, the consent may be taken as given if it is notified in writing to the Trustees by the Secretary, or by a director or the company secretary to the company concerned.

1. Expenses, Costs and Contributions  
   1. Subject to the provisions of Clause 8 the Trustees in agreement with the Principal Employer shall determine the sum or sums to be paid to the Trustees for the purposes of the Scheme from which the Trustees will maintain the Scheme and provide the benefits thereunder.
   2. In accordance with the Pensions Act, the Trustees shall prepare, maintain and from time to time revise a schedule of payments in accordance with section 87 of the Pensions Act showing the rates of contributions or other amounts payable to the Scheme and the dates applying. The information shown on the said schedule shall have been previously agreed between the Trustees and the Employers and shall be made available to those persons or bodies entitled to receive it in the circumstances and in a manner specified in the Disclosure Regulations.
   3. The Employers shall, unless otherwise agreed with any of the Members, forward to the Trustees (or as directed by the Trustees) any AVCs of their Member Employees.
   4. The Trustees shall pay all costs, charges and expenses incurred in connection with the administration and management of the Scheme out of the Fund, unless otherwise agreed with the Sponsoring Employer.
2. Appointment, Resignation and Removal of Trustees
3. The provisions of this sub-Clause are subject to sub-Clause 4.2. The power of appointment of Trustees shall be as described in sub-Clause 4.1(b) and may include the appointment of an additional trustee.
4. The power of appointment of Trustees shall be vested in the Principal Employer.

A Trustee may resign his or her appointment by serving 28 day written notice to the Principal Employer. At the expiry of such notice period such trustee shall be deemed to have retired and shall be discharged from the trust. The Principal Employer shall do such things (if any) as may be necessary to give formal effect to such retirement.

1. The provisions of this Clause 4 are subject to the provisions of sections 241 and 242 of the Pensions Act 2004 and the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006 (SI2006/714).
2. The Trustees must ensure that arrangements are in place to provide for at least one-third of the total number of trustees of the Scheme to be member-nominated and arrangements must be in place to provide for the nomination and selection process to take place, but may waive this requirement where there is an Independent Trustee appointed.
   1. The provisions of this Clause 4 shall be without prejudice to the powers and duties of an insolvency practitioner or the official receiver in accordance with the relevant provisions of Part I of the Pensions Act or of any Trustee who is an independent trustee for the purposes of those provisions as described in Clause 21.
3. Proceedings of the Trustees
   1. The Trustees shall meet at intervals not exceeding one year (at such place as they shall decide) and shall make regulations for the conduct of their business, the summoning of meetings, the recording of resolutions and all other matters in connection with their work as they shall think fit, subject as follows:-
4. The Trustees shall comply with the provisions of Part I of the Pensions Act.
5. Meetings shall be convened by the Secretary (or, in his or her absence, the Trustees may appoint a Secretary to the Trustees for the purposes of such meeting), having given seven days advance notice.
6. The Trustees shall from time to time appoint Committees of three or more Trustees, and shall, subject to the requirements of the Pensions Act, confer such powers on them as they think fit PROVIDED THAT the Trustees may at any time:-

* revoke or vary any such powers
* revise the constitutions of such Committees
* dissolve any such Committees;

and such Committee or Committees shall seek the decision of the Trustees, or the ratification by the Trustees of their decision, on any matter of uncertainty.

1. The Trustees may appoint an accountant to the Scheme for the purpose of fulfilling their duties under Clause 6.2. The terms of the remuneration of such person shall be agreed by the Trustees.
   1. The following provisions shall apply:-
2. the quorum for transaction of business of meetings shall be 2, of whom 1 shall be for the Trustees and one for the Principal Employer;
3. minutes shall be kept by the Secretary (or the Secretary to the Trustees, where appropriate) of all proceedings and resolutions of the Trustees;
4. the Trustees shall record their decisions in writing, and all business brought before a meeting of the Trustees shall (except as stated below) be decided by resolution passed by a majority vote of those present. The quorum for the transaction of any meeting of the Trustees shall be a majority of the Trustees;
5. in the absence of the Chairman and the Vice-Chairman the meeting shall appoint one of their number to preside;
6. the Chairman of the meeting shall have a second or casting vote in the case of an equality of voting;
7. a document certified by the Secretary to be a true copy of a resolution or other direction or decision of the Trustees shall be valid evidence of the terms thereof;
8. a resolution in writing circulated to and signed by all of the Trustees shall be as effectual as if it has been passed at a Trustees' meeting. Such a resolution may consist of one or more documents in similar form each signed by one or more of the Trustees.
   1. The Trustees shall arrange for the production of an annual report on the Scheme incorporating the accounts as described in Clause 6.2, an actuarial statement based on the most recent investigation referred to in Clause 8.1 and any other information required under the provisions of the Pension Schemes Act and the Pensions Act.
   2. The Trustees shall for the time being be the Administrator of the Scheme for the purposes of Section 270 of the Finance Act.

The Trustees may appoint another person or other persons resident in the United Kingdom to act as the Administrator for the purposes of the Finance Act and subject to the conditions contained therein.

1. Appointment and Removal of Auditor
   1. The Trustees shall appoint as auditor to the Scheme a person who or which satisfies the requirements of the Pensions Act on such terms as to remuneration and otherwise as the Trustees shall, subject to the provisions of section 47 of the Pensions Act, agree with such auditor.

The power of removal of such person shall vest in the Trustees.

* 1. The Trustees shall keep accounts, entries, registers and records to ensure the proper working of the Scheme and to satisfy the provisions of the Pensions Act. In particular the Trustees shall keep a register of the Members and Pensioners and of all death and withdrawals, dealings of the Fund and contributions made by the Employers and the Members, and shall require the accounts to be made up on 30 September on each year and audited annually by the auditor described in Clause 6.1. Such auditor shall have access to all books, papers, vouchers, accounts and documents connected with the Scheme and shall certify in writing the result of each audit.

1. Appointment and Removal of Actuary

The Trustees may appoint an actuary to the Scheme who shall be a Fellow of the Institute of Actuaries and/or of the Faculty of Actuaries on such terms as to remuneration and otherwise as the Trustees shall, agree with such actuary. The Trustees shall also have power to remove the Scheme Actuary.

1. Subject to the requirement of the Pensions Act
   1. The Trustees shall cause the Actuary to make an actuarial investigation of the Scheme at such intervals as the Trustees shall determine. For this purpose all necessary accounts and information shall be furnished by the Trustees and the Employers to the Actuary. The Actuary shall report to the Trustees and the Principal Employer in writing on the financial position of the scheme in accordance with the Disclosure Regulations.
   2. If such investigation discloses that the Fund is in surplus, the Trustees with the consent of the Principal Employer may improve the benefits of a Member and/or extend the benefits payable under the Scheme or adopt such other method as shall be acceptable to HMRC for the purpose of reducing such surplus including; subject to the relevant provisions of Part I of the Pensions Act, making a payment to the Employer or partly in one way and partly in another PROVIDED ALWAYS THAT they shall comply with any relevant Pensions Regulator requirements regarding the provision of pension increases.
2. General Powers of Trustees
   1. The Trustees shall have all powers, rights and privileges requisite or proper to enable them to carry out or execute or do any transaction, act, deed or thing arising under or in connection with the Scheme.
   2. The Trustees shall have power to delegate to any person or body (including to one or more of the Trustees), any of the powers, duties, authorities and discretions (including, subject to the provisions of section 34 of the Pensions Act. investment decisions) conferred on the Trustees as they may deem necessary or desirable.

PROVIDED THAT this power shall not be used to delegate all of the investment powers or the duties, authorities and discretions connected with investments to any individual, or to more than one individual or to any firm or corporate body unless such individuals firm or corporate body are or is independent. Any exercise by the Trustees of their power under this Clause 9 shall be reviewed by the Trustees at intervals not greater than one year and may be revoked by the Trustees at any time.

PROVIDED FUTHER THAT any person or body to whom this Clause applies shall seek the decision of the Trustees or the ratification by the Trustees of its decision on any matter of uncertainty.

* 1. The Trustees shall have power to authorise such persons and employ such agents and staff as they think fit to transact any business relevant to the Scheme. Such business may include the authorising and making of payments (including the signing of cheques) and the giving of receipts. Any such payment made in good faith by such persons, agents or staff shall operate as a good and sufficient discharge to the Trustees, and any receipt and discharge given by such persons, agents or staff shall be us valid and as effectual as if it were given by the Trustees.

In exercising the above powers the Trustees shall have regard to the security of the Fund and may specify a minimum number of signatories for cheques. Any exercise of such Trustee powers shall be reviewed by the Trustees at intervals normally not greater than one year and may be revoked by the Trustees at any time.

* 1. The Trustees shall have power to obtain the advice or opinion of a suitably qualified lawyer, broker, actuary, accountant, medical practitioner or other professional person with regard to their powers, duties and discretions in relation to the Scheme and (except where prohibited by section 47 of the Pensions Act) to rely and act upon any advice obtained without incurring any liability or responsibility in the event of any action taken by them as a result of such advice proving subsequently to be incorrect or inadequate.
  2. The Trustees shall have power to make arrangements for the remuneration of the persons or bodies referred to in Clauses 9.3 and 9.4 upon such terms as they shall think fit. Any amounts of such remuneration paid shall be deemed to be part of the expenses incurred by the Trustees in carrying out the trusts and provisions of the Scheme.
  3. The Trustees shall have power (whether as Trustees or Administrator) to give undertakings to HMRC and to any other authority.
  4. The Trustees shall secure that such arrangements as are required by or under section 50 of the Pensions Act for the resolution of disagreements between persons prescribed for the purposes of that section about matters related to the Scheme are made and implemented.

Subject always to the above provisions of this Clause 9, the decision of the Trustees shall be final in respect of any point of doubt that may arise in connection with the Scheme. Details of the internal procedure for resolving disputes shall be made available by, and may be obtained from, the Secretary to the Trustees. In any case not expressly provided for under the provisions of the Deed of the Rules the Trustees may offer or agree to such terms and generally act in such a way as appears to them to be fair and just having regard to the main purpose of the Scheme and its proper and efficient administration.

The Trustees shall have power to submit to an arbitrator, in accordance with the provisions of the Arbitration Act 1950 (or any statutory update thereto) any claims relating to the Scheme or to the rights of any Member or other beneficiary.

* 1. The Trustees shall have power to insure any or all of the assets of the Fund for such amount and against such eventualities or risks as they consider appropriate, including the power to effect insurance against any potential loss of or depreciation in such assets and insurance in respect of any loss to the Fund caused by or arising out of any action claim or demand made against the Trustees for loss suffered by the Trustees (or their agents delegates or appointed officers) in relation to the Scheme. The premiums for any such insurances shall be regarded as expenses of the Scheme.

PROVIDED THAT no amounts shall be paid out of the Fund for the payment of premiums under an insurance policy where the risk is or includes a line or penalty to which section 31 of the Pensions Act applies.

1. Appointment and Duties of Fund Manager and Custodian
   1. If the Fund includes investments within the meaning of the Financial Services Act 1986 (as amended) the Trustees shall after consultation with the Principal Employer appoint as Fund Manager or Fund Managers one or more corporate bodies firms or individuals which or who satisfy the requirements of the Pensions Act in relation to fund managers of occupational pension schemes. The Trustees shall agree terms as to remuneration and otherwise with the appointed persons(s) subject to the provisions of section 47 of the Pensions Act.

Such person(s) shall exercise the investment powers set out in the Deed, subject to any specified requirements of the Trustees, in such a way as to comply with the provisions which apply to Fund Managers of occupational pension schemes under Part I of the Pensions Act.

* 1. Each Fund Manager shall be required by the Trustees to take all reasonable steps to ensure the security of that part of the Fund which is under that person's management. Reports must be made in writing to the Trustees at half-yearly intervals (or more frequently if they request) giving details of the current value of that part of the Fund which is under that person's management and of any transactions relating to its investments which have occurred since the previous report.
  2. Any remuneration of a Fund Manager and their nominees shall be deemed to be part of the expenses in the same manner as described in Clause 9.5.

1. Trustees’ Powers of and Responsibilities Relating to Investment
   1. The Trustees shall have the following powers in respect of the whole or part of any amounts not immediately to be paid or applied for the purposes of the Scheme:-
2. power to place or retain the same in any current account (with or without requiring any interest) in any bank or building society of good repute on such terms as the Trustees shall think fit;
3. power to invest in or apply the same in the acquisition or upon the security of such stocks funds, bonds, shares, debentures, debenture stocks, securities, unit trust units, (traded options, financial futures and wheresoever situate whether or not income producing and whether or not involving liability and whether or not authorised by law for the investment of trust funds. Additionally, in such loans (other than loans to the Principal Employer or any other Employer or Connected Employer or to any Members, prospective Members or other beneficiaries whether secured or unsecured as the Trustees in their absolute discretion shall decide;
4. power to invest or apply the same in effecting with any Authorised Insurance Company any deferred or immediate annuity, assurance, sinking fund, deposit administration managed fund unit linked or other policies or contracts;
5. power to underwrite or sub-underwrite any investments or securities whether on issue or sale and whether jointly with other persons or not;
6. power to lease, mortgage, exchange, sell or otherwise deal with any land or interest in land forming part of the Fund in like manner as if the Trustees were absolutely entitled thereto beneficially;
7. power to enter into any scheme either alone or with others and either directly or indirectly for the development of land or buildings whether or not owned by the Trustees;
8. power by resolution to authorise cheques, bills or other negotiable instruments to be signed and endorsed by any limited number of Trustees (subject to the requirements of the Pensions Act).
   1. The Trustees shall have the power to sell convert vary or transpose investments monies and other assets of the Fund in all respects as Trustees were absolutely entitled to them beneficially.
   2. The Fund shall be held under the legal control of, and by or in the name of, the Trustees. Investments monies and other assets may be placed by the Trustees in the name of, or under the control of, such corporate body as nominee for them as they shall from time to time select.
   3. The Trustees shall secure that there is prepared, maintained and from time to time revised a written statement of the principles governing decisions about investments in accordance with the provisions of section 35 of the Pensions Act and shall exercise their powers of investment with a view to giving effect to the principles contained in such statement so far as reasonably practical.

A copy of such statement shall be made available to those persons or bodies entitled to receive it in the circumstances and in the manner specified in the Disclosure Regulations.

* 1. The Trustees shall exercise their powers under this Clause 11 to operate a bank account as required under section 49 of the Pensions Act.
  2. The Trustees shall take such steps as they shall consider to be necessary to the intent that they shall be satisfied as to the security of the Fund and shall obtain such information and advice from professional advisers as they shall require for this purpose.
  3. The Scheme shall comply with such restrictions as may be prescribed in accordance with the Pensions Act with respect to the proportion of its resources that may at any time be invested in, or in any description of, employer-related investments (as defined in section 40 of that Act).
  4. The Trustees may raise or borrow any monies upon such terms as they think fit (including the arrangement of an overdraft with any bank or building society of good repute) and may secure such monies by charging all or any part of the assets of the Fund. The monies raised or borrowed must be applied for any one or more of the purposes of the Scheme (including without prejudice to the generality thereof, the purchase of any investment hereby authorised).
  5. The Trustees shall have power to accept or reject any special donations which may be given by the Employers or other persons (including bequests) and to apply such donations to such special purpose or purposes as may be directed by the donor for the general purposes of the Scheme.

1. Trustee Incapable of Acting

A Trustee who becomes incapable of acting or bankrupt, or makes any assignment for the benefit of or any composition or arrangement for the benefit of his or her creditors, shall immediately cease to be a Trustee. He or she shall be replaced by the appropriate appointing body as described in sub-Clause 4.3(d).

1. Protection for Trustees
   1. No Trustee (and where a corporate body is a Trustee, none of its directors officers or servants) shall be liable for any actions, claims or demands in respect of the exercise of any of the powers and discretions given by the Deed or the Rules nor shall be liable for any loss or costs arising therefrom except for:-
2. an act or omission which he or she knew to be a breach of trust and which he or she knowingly and willfully committed or omitted as the case may be; and
3. an act or omission arising out of the negligence of a Trustee who is being for business done or services rendered in relation hereto as described in Clauses 14.1 and 14.2; and
4. an act or omission in respect of which a Trustee incurs a line or penalty as referred to in section 31 of the Pensions Act; and
5. an act or omission for which liability in relation to the investment of the Fund cannot be excluded or restricted in accordance with section 33 of the Pensions Act.
   1. The Employers shall (jointly and severally) indemnify the Trustees (and where a corporate body is a Trustee any and all of its directors, officers or servants) in respect of any actions, claims or demands arising out of anything done or caused to be done or omitted by them in connection with the Scheme except that no individual Trustee (or director, officer or servant of a corporate body) may be indemnified in respect of an act or omission of his or her own falling within (a) or (b) of Clause 13.1.

If the Employers are unable to indemnify the Trustees fully, the Trustees shall be indemnified out of the Fund (except in respect of any liability arising from acts or omissions referred to in (a) to (d) of Clause 13.1) to the extent not provided by the Employers.

* 1. The Trustees shall not be liable in respect of any payment to any person erroneously made by them in the belief (having regard to the provisions of Rules 2.1 and 8.5) that such person was entitled to it and a receipt issued to the Trustees by such person shall be a good and sufficient discharge of the obligations of the Trustees.

1. Trustees' Entitlements
   1. A Trustee who is a solicitor, actuary or other person or body engaged in any profession or business shall (subject to prior approval of the Principal Employer) be entitled to charge and be paid all usual professional or other charges for business done or services rendered or time spent in relation to the Fund including acts which a trustee who was not a professional person could have done personally.
   2. A Trustee which is a corporate body, or is a Trustee who provides services similar to those described in Clause 14.1, shall be entitled to such fees or remuneration for services as shall from time to time be agreed between such Trustee and the Principal Employer.
   3. A Trustee who is a Member or Pensioner or, where a Trustee is a corporate body any member of the board of directors or other officer of the Trustee who is a Member or Pensioner, shall be entitled to retain for his or her absolute benefit any benefits to which he or she becomes entitled by virtue of membership or past membership of the Scheme, whether by normal Scheme provision or arising from the exercise of a discretion by the Trustees under the Scheme.
2. Disclosure and Provision of Information
   1. The Trustees shall make available the documents described in Clause 5.4:-
3. upon request, if applicable, to persons who have a right to inspect or receive a copy under the Pensions Schemes Act and the Pensions Act (the Trustees being entitled to make such charge (if any) as is permitted under the Disclosure Regulations);
4. to HMRC where this is necessary and a copy of the annual report shall be given to the Employers.
   1. The Trustees shall comply with the Disclosure Regulations, as amended by the Pensions Act 2004, (the Trustees being entitled to make such charge (if any) as is permitted under the Disclosure Regulations) by providing the following information:-
5. details of the Deed and the Rules (which may be inspected on demand at the offices of the Principal Employer during working hours);
6. basic information about the Scheme;
7. details of an individual's benefit when it becomes payable;
8. information about the Member's benefits;
9. rights and options in respect of death benefits;
10. rights and options available to persons who leave the Scheme;
11. details of transfer values and cash equivalents;
12. information to be supplied in the event of the Scheme being wound up.
    1. The Trustees shall provide such information to the Pensions Ombudsman, the Registrar of Occupational and Personal Pension Schemes, the Pensions Regulator and the Pensions Compensation Board as may be required in accordance with the provisions of the Pension Schemes Act and the Pensions Act.
13. Power of Alteration
    1. The Trustees may at any time and from time to time with the consent of the Principal Employer by deed executed by the Trustees and the Principal Employer (or by a modification under Clause 16.2) alter or modify any of the trusts powers or provisions of the Deed or the Rules PROVIDED THAT no such alteration or modification shall:
14. change the main purpose of the Scheme, being the provision of pensions for and in respect of Employees of the Employers on retirement at a specified age;
15. take effect if, in the opinion of the Actuary, it shall adversely affect or prejudice the rights or interest of any person already a Member at the date of such proposed alteration or modification in respect of his or her Service completed up to the date of such proposed alterations;
16. enable any of the moneys of the Fund to be paid to the Employers except as provided for in sub-Rule 15.3 or sub-Clause 20.8(d);
17. contravene the provisions of the Pensions Act in relation to the modification of schemes, or the Pension Schemes Act.
    1. The Trustees shall have the right, subject where required in accordance with section 68 of the Pensions Act to the consent of the Principal Employer, to modify the Scheme by resolution for the purposes described in that section.
18. Augmentation of Benefits

The Trustees may at any time, at the request or with the consent of the Principal Employer (and subject to arrangements to the satisfaction of the Trustees being made for the payment by the Principal Employer or the Employers of such additional contributions as the Trustees may determine, after consulting the Actuary, and to the Scheme's status as a Registered Pension Scheme not being prejudiced, augment any pension or other benefit from the Scheme and grant new or additional benefits to or in respect of any Member, Employee or former Employee or Pensioner.

1. Adherence and Removal of Other Employers
   1. The Principal Employer shall have power, to admit to participation in the Scheme any subsidiary company or other company or body which is sufficiently associated with the Principal Employer to make its participation acceptable to HMRC PROVIDED THAT:-

such subsidiary company or other company or body, shall execute a deed by which it covenants with the Trustees and the Principal Employer to comply with and to observe the provisions of the Deed and the Rules to the extent that such provisions are applicable to Employers other than the Principal Employer.

* 1. The Principal Employer shall have power to remove from participation in the Scheme any subsidiary company or other company or body, subject to giving six months' previous notice in writing to the Trustees (or such shorter period of notice as shall be acceptable to the Trustees). Section B of Clause 20 shall then apply.

1. Cessation or Withdrawal of Principal Employer
   1. In the event that an order is made or an effective resolution is passed for the winding-up for the purposes of reconstruction or reconstitution of the Principal Employer, or the Principal Employer is absorbed by or amalgamated with another company or body or if the undertaking of the Principal Employer (or the major part thereof) is assigned to or vested in any other company or body, the Trustees may make such arrangements or enter into such agreements (not being incompatible with the manner in which the Fund is invested or of such a kind as to prejudice the Scheme's status as a Registered Pension Scheme) as they think fit for the continuance of the Scheme and for such or other body to take the place of and become the Principal Employer for all purposes of the Scheme from a date agreed with the Trustees.
   2. If it appears to the Principal Employer that the Trustees will be unable to make such arrangements (or the Principal Employer gives notice in writing to the Trustees of termination of its liability to contribute to the Scheme as described in Clause 20 or of termination of its willingness to continue as Principal Employer), the Principal Employer may, provided that the Scheme's status as a Registered Pension Scheme would not be prejudiced, request one of the other Employers to assume the obligations and duties of the Principal Employer. If such other Employer is willing to do so it shall take the place of and become the Principal Employer for all purposes of the Scheme from a date agreed with the retiring Principal Employer and the Trustees.
   3. If the Principal Employer is unable to make such arrangements, the Scheme shall be wound-up in accordance with Clause 20.
2. The Winding-up of the Scheme
   1. An Employer (other than the Principal Employer) shall cease to participate in the scheme if any of the following events occur:
3. it shall give notice that it intends to terminate its contributions to the Scheme under Rule 3 for any reason other than having ceased to have any Members in Service;
4. an order is made or an effective resolution is passed for the winding-up of the Employer (except for the purpose of a solvent reconstruction) or the Employer ceases to carry on business or is dissolved and no agreement under Clause 19 has been entered into;
5. the Principal Employer shall give six months' previous notice (or such shorter period of notice as the Trustees shall be willing to accept) in writing to the Trustees that the participation of such Employer shall cease at the end of such notice;
6. the continued participation of such Employer would pre-judice its status as a Registered Pension Scheme

PROVIDED THAT the participation may, be continued until such date as the Employer, the Principal Employer, the Trustees and, in the circumstances described in (d) above, HMRC may agree.

* 1. Upon an Employer (other than the Principal Employer) ceasing to participate in the Scheme as described in Clause 20.1, the Trustees shall appropriate in respect of those Members who are then in Service and (if the Principal Employer so decides) in respect of Members formerly in the Service of that Employer such part of the assets of the Scheme as MAY BE certified by the Actuary as representing the liability of the Trustees to the Members concerned and in relation to such Members and the assets so appropriated the provisions of Clause 20.3 shall be applied with the necessary changes

PROVIDED THAT if the Principal Employer shall so decide the Trustees shall set aside the assets as a notional fund within the Fund at any time before the date of cessation of participation and shall credit to such notional fund all contributions received from or in respect of such Members and deduct from such notional fund any benefits paid or costs incurred in respect of such Members and the balance of the notional fund at the date of cessation of participation shall form the assets appropriated.

* 1. Subject always to the provisions of Appendix I:

1. the Scheme shall be terminated

• if the Principal Employer shall be dissolved or shall cease to carry on business and no arrangement or agreement is made pursuant to Clause 19; or

• if the Principal Employer shall give notice that it intends to cease to contribute to the Scheme under Rule 3; or

• if the Principal Employer shall at any time fail to pay to the Trustees any sum or sums on or within 28 days after the date on which the Trustees may have required the same to be paid or shall fail to observe or perform any other of its obligations under the Scheme and (in either case) the Trustees thereupon resolve to terminate the Scheme

• if directed or authorised to do so by the Pensions Regulator.

PROVIDED THAT the Trustees may at their discretion decide to defer the winding-up of the Scheme and continue to administer the Scheme on the basis that no further Employees shall be admitted to the Scheme and that there shall be no liability on the Employers (and the Employees where appropriate) to make further contributions.

The Scheme shall subsequently be wound-up if it appears to the Trustees that the Scheme is insolvent or if the assets of the Scheme are exhausted or at any earlier date determined by the Trustees or required by legislation or on the expiry of the Trust Period;

1. if and whenever the Scheme is wound-up whether wholly or in part the Fund or, as the case may be, the appropriate part thereof shall be realised and subject to the payment of all costs, charges and expenses properly payable thereout, the net proceeds of such realisation and any monies then in hand shall be applied at that date (if required, on the advice of the Actuary) for the benefit of the Pensioners, Members and any other persons entitled or contingently entitled to benefits under the Scheme for whom provision has not already been made

PROVIDED THAT

• for the purpose of this Rule, each Current Member at the date of winding-up shall be deemed to have left Service immediately prior to that date and the benefits payable to and in respect of him or her under this Rule shall be calculated as if he or she had done so:

• the value of the benefits (subject to any augmentation thereof under Clause 17 and to compliance with any relevant DWP requirements regarding the provision of increases to pension in payment) payable to or in respect of each Pensioner and Member shall as nearly as may be possible be equal to the amount of the relevant Member's Interest at the date of winding-up;

• the benefits provided under this Clause 20.3 shall, subject to the provisions of sections 270-272 of the Pensions Act 2004 and relevant regulations, except as provided below, be secured by the purchase of non-assignable and (except to the extent that the Scheme's status as a Registered Pension Scheme is not prejudiced) immediate and deferred non-commutable annuities and ancillary benefits under Appropriate Policies (as described in Rule 12) of such amounts and subject to such terms and conditions as to payment and otherwise as nearly as possible the same as those applicable generally under the Rules of the Scheme.

1. the Trustees may

• with the prior consent of HMRC in lieu of purchasing an annuity under this Clause 20.3 for a person who is in an exceptional state of serious ill-health;

or

• if the pension to which such person is entitled would be considered trivial in accordance with the provisions of Rule 7.2.

make a lump sum payment to such person of such amount as (when added to any tax payable by them in consequence of such payment) they might but for this provision have applied in the purchase of such annuity;

1. the Trustees may in lieu of making provision for any person under this Clause 20.3 make a transfer payment to the trustees of another scheme or arrangement approved for the purpose of Rule 11 of which such person becomes a Member and the provisions of Rule 11 shall, with the necessary changes, apply to such transfer;
2. if any part of the Fund remains after application of the aforesaid provisions of this Clause 20.3 the Trustees may, before applying the provisions of sub-Clause 20.3(1) of this Rule 20.3 but after consultation with the Actuary, purchase such other or additional benefits as they shall determine for Members, Spouses and Eligible Dependants or any other person acceptable for the purposes of this Rule to HMRC or any one or more of such persons, subject always to the requirements of HMRC;
3. subject to the prior agreement of HMRC and the requirements of the Pensions Act the balance of the Fund (if any) remaining after benefits for Pensioners and Members or any other persons entitled or contingently entitled to benefits under the Scheme have been secured shall be payable to the Employers in such proportions having regard to any requirements of HMRC as the Trustees, acting on the advice of the Actuary, shall determine, PROVIDED THAT the Trustees shall first deduct and account to HMRC for any tax liability under the Finance Act.
4. Powers of Independent Trustees
5. If an insolvency practitioner or the official receiver acts (as described in Part I of the Pensions Act) any powers under the Scheme which are vested in the Trustees, the Administrator or any of the Employers and which are exercisable at their discretion shall, to the extent set out in that Part, be exercisable by one or more of the Trustees who are independent trustees for the purposes of that Part.

THIS DEED is executed on the date first shown above.

PART 2 - THE SCHEDULE

The Rules

1. Definitions

The statutory definitions and the Contracting-out requirements under Rule 17 are indicated by the reference.

"Actuary" means any actuary employed by the Trustees.

"Administrator" means the person appointed in accordance with Clause 5.5.

"Annual Allowance" means the maximum tax-relievable Pension Input Amount into the Scheme as defined in section 228 of the Finance Act.

"Annual Allowance Charge" means the 40% tax charge or such other charge which may be imposed as defined in section 227 of the Finance Act.

"Appendix I" means Appendix I to the Deed, and it appears at the end of the Rules.

"Appropriate Policy" means an annuity contract or policy issued by an Authorised Insurance Company in a form satisfactory for the purposes of section 19 of the Pension Schemes Act

"AVCs" means additional voluntary contributions by Employees as described in Rule 3.3.

"Authorised Insurance Company" means an insurance company as defined in section 275 of the Finance Act.

"Cash Value" means an amount determined by the Trustees with the advice of the Actuary, being not less than the value of the whole or a specified part of the benefits payable or prospectively payable from the Fund in respect of a Member or Pensioner.

The amount will not be less (where appropriate), than the cash equivalent of such person's benefits for the purposes of Chapter IV of Part IV of the Pension Schemes Act.

"Chairman" means the person described in sub-Clause 4.1 (b), being the Chairman of the Trustees.

"Civil Partner" means a civil partner as defined in section I of the Civil Partnership Act 2004.

"Clauses" means the clauses of the Deed.

"Committees" means as described in sub-Clause 5.2(a)

"Connected Employer" means in relation to an Employer or corporate body an employer or a corporate body which:

1. is associated in business with such Employer or corporate body or:
2. controls or is controlled by such Employer or corporate body or is such that both are controlled by a third party;
3. is a subsidiary of such Employer or a corporate body of such that both are subsidiaries of a third employer or company (subsidiary for this purpose being within the meaning of section736 of the Companies Act 1985); or
4. falls within the description "Connected" in section 249 of the Insolvency Act 1986.

"Contributor" means a Member who is contributing to the Scheme in accordance with Rule 3.2.

"Current Member" means a Member who, having been admitted to membership of the Scheme:-

1. is within the Eligibility Category, or is treated as such by virtue of Rule 2.1; and
2. has not retired or withdrawn from current membership of the Scheme; and
3. has not received any benefit from the Scheme while in Service on or after Normal Retirement Age; and
4. is not a Pensioner.

"Deed" means the deed to which these Rules are scheduled and form part.

"Deferred Pension" or "Deferred Pensions" means as described in Rule 5.

"Dependant" means as defined in paragraph 15 of Schedule 28 to the Finance Act and includes a person who is:-

1. a Spouse, a Civil Partner, a child under the age of 23 or person who in the opinion of the Trustees is or was at the relevant time dependent on the Member or Pensioner for all or part of the necessaries of life or whose maintenance and support the Member or Pensioner had undertaken immediately before the relevant time; or
2. a former spouse of the Member or Pensioner in respect of whom a financial provision order has been made under the Matrimonial Causes Act 1973; or
3. any other person who in the opinion of the Trustees after taking account of such evidence as they shall consider to be satisfactory was, although not the Member's or Pensioner's Spouse, treated by the Member or Pensioner as if that person were the Member's or Pensioner's spouse and was financially interdependent with the Member or Pensioner.

"Disclosure Regulations" means the Occupational Pension Schemes (Disclosure of Information) Regulations 1996.

"DWP" means the Department of Work and Pensions.

"Eligibility Category" means the category so described in Rule 2.1. "Eligible Child" and "Eligible Children" mean, subject to the definition of Eligible Dependant, a child or children of a Member or Pensioner who is or are:-

1. under 23 years of age; and
2. receiving full time education or training.

"Eligible Dependant" means a person who is wholly or principally financially dependent on a Member or Pensioner, and includes an Eligible Child. Legally adopted children, step-children and illegitimate children may be treated as Eligible Children at the absolute discretion of the Trustees.

"Employee" means an employee of an Employer or the Employers.

"Employer" and "Employers" means the Principal Employer and any subsidiary or associated company which joins or joined the Scheme in accordance with Clause 18 of the Deed.

"Employment Rights Act" means the Employment Rights Acts 1996.

"EPB" means equivalent pension benefits, as described in Rule 16.

"Final Wages" means the highest annual amount which a Member has been paid by way of Wages by the Principal Employer or other Employer in any consecutive 12 month period during the last three years of such employment PROVIDED THAT in calculating a Member's Final Wages any reduction of his or her wages for ill-health shall be ignored.

"Finance Act" means the Finance Act 2004.

"Full-time Service" means Service of 40 hours a week.

"Fund" means (subject to the provisions of the Rules) all monies, funds, investments, and property constituting the assets of the Scheme including contributions paid to the Trustees under the Deed or the Rules.

"Fund Manager" means any corporate body, firm or individual appointed to be a fund manager of the Scheme in accordance with Clause 10.1.

"HMRC" means Her Majesty's Revenue and Customs.

"Ill-health" means ill-health of such nature as the Trustees are satisfied that by reason of a permanent breakdown in health, whether mental or physical, a Member is unable to perform any form of remunerative employment with the Principal Employer or an Employer.

"Incapacity" means ill-health of such nature as the Trustees may decide has seriously impaired the earning capacity of the individual concerned, subject always to the requirements of the Finance Act.

"Index" means the Government's Index of Retail Prices or such other index as shall be appropriate to the revaluation percentage in relation to a particular period for the purposes of the Pension Schemes Act and the Pensions Act.

"Independent Trustee" means an individual or body corporate who is Independent of the Principal Employer and who hold themselves to carry on by way of business as an Independent Trustee and is not a beneficiary of the Scheme.

"Lifetime Allowance" means the amount of benefits an individual Member may draw in his own lifetime without incurring a Lifetime Allowance Charge under section 218 Finance Act. In certain circumstances, for instance, pension credits from pension sharing orders, the Member may be subject to a Lifetime Allowance that is higher or lower than the Standard Lifetime Allowance.

"Lifetime Allowance Charge" means as defined in section 214 of the Finance Act.

"Member" means a person who joined the Scheme in accordance with the Rules (excluding a Pensioner) and continues to include any such person so long as, but only so long as, any benefit remains payable from the Fund to or in respect of him or her.

"Member's Interest" means in respect of each Member and Pensioner that part of the Fund which the Actuary, having regard to the payments made by and in respect of the Member or Pensioner and to the assets in and the investment income of the Fund, considers to relate to the Member or Pensioner PROVIDED THAT nothing in this definition shall confer on the Member or Pensioner any right to specific assets of the Scheme which are attributable to him or her on a notional basis solely for benefit calculation purposes.

"Member-Nominated Trustee" means a member-nominated trustee as defined in the Pensions Act 2004 and includes member-nominated directors of a corporate body as defined in that Act.

"Normal Retirement Age" means in respect of each Member the 60th anniversary of birth.

"Paid Maternity Absence" means a period of paid maternity absence as defined in paragraph 5 of Schedule 5 to the Social Security Act 1989.

"Part-time Service" means Service of less than 40 hours per week.

"Pension Input Amount" means, as defined in section 233 of the Finance Act and includes

1. the total of any tax-relievable pension contributions paid by or on behalf of the Member; and
2. any contributions paid in respect of the Member by an Employer during the pension input period as described in the Finance Act and relevant to the Scheme that ends in the relevant tax year.

"Pensionable Service" means Service in any description or category of employment to which the Scheme relates which qualities the Member (on the assumption that it continues for the appropriate period for pension or other benefits under the Scheme.

"Pensioner" means a person who, having been a Member, has commenced to receive payment of pension from the Fund, but only so long as any benefit remains payable from the Fund to or in respect of him or her.

"Pensions Act" means the Pensions Act 1995.

"Pension Schemes Act" means the Pension Schemes Act 1993.

"Pensions Regulator" means as described in Part I of the Pensions Act 2004.

"Personal Pension Scheme" means a personal pension scheme as described in Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988.

"Preservation Regulations" means the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991.

"Principal Employer" means Carlton James Private And Commercial Ltd(company number 09074495)

"Qualifying Leaver" means

1. a person who, at the date of ceasing to be a Member, has completed two or more years of Qualifying Service; and
2. a Member in respect of whom there has been a transfer into the Scheme from a Personal Pension Scheme in respect of a period of employment.

"Qualifying Service" means in respect of a Member at any date that part of his or her last or only period of active Service up to that date which is pensionable under the Scheme together with:-

1. any period of employment which is waiting period treated as pensionable service for the purposes of the Preservation Regulations; and
2. any period of employment in respect of which the Member is entitled to benefits under the Scheme by virtue of a transfer into the Scheme; PROVIDED THAT for the purposes of this definition:

(i) any period of his or her Service which is separated from a succeeding period by one or more of the following:

• an interval not exceeding one month

• an absence from work wholly or partly because of pregnancy or confinement after which the Member returns to work in exercise of a right under the Employment Rights Act and returns to Pensionable Service no later than one month after returning to work; and

• an absence from work in furtherance of a trade dispute as defined in section 35 of the Jobseekers Act 1995 shall be deemed to be part of such succeeding period; and

(ii) there shall be included in Service any earlier period of the Member's Service which gave rise to a leaving Service entitlement to which he or she has retained an entitlement under the Scheme; and

(iii) any period during which the Member was deemed to be in Service for the purposes of the Scheme while not actually in the employ of the Employer shall be excluded.

"Registered Pension Scheme" means a scheme registered in accordance with Chapter 2 of Part 4 of the Finance Act.

"Registration" means registration as a scheme in accordance with Chapter 2 of Part 4 of the Finance Act.

"Relatives" means the spouse, parents, grandparents, uncles, aunts, nephews, nieces, children and remoter issue of a deceased person.

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

"Rules" means all the rules contained in the Schedule to the Deed, of which this Rule I forms part.

"Schedule to the Deed" means this Schedule.

"Scheme" means the CARLTON JAMES RETIREMENT FUND

"Secretary" means the person described in sub-Clause 4.1(c).

"Secretary to the Trustees" means the person holding that position for the time being.

"Section 53 Scheme" means a scheme which was formerly Contracted-out and to which section 53 of the Pension Schemes Act applies for continued supervision.

"Service" means service as an Employee or director of any of the Employers, including service deemed to be service with an Employer under the Rules. A transfer of a person from one to another of the Employers shall not be construed as termination of Service. PROVIDED THAT:-

where the earlier of any two periods of Service was one during which the Member was in Contracted-out employment by reference to the Scheme and which has under the Pension Schemes Act not been treated as terminated, the above wording shall not apply and the two periods of Service shall for the purposes of calculating the total benefits in respect of the Member be treated as continuous

"Spouse" means, in relation to a deceased Member or Pensioner, the widow or widower (if any) of his or her last or only marriage PROVIDED THAT unless the Trustees determine otherwise there can be only one such person for the purposes of this definition in respect of any one deceased Member or Pensioner. In the event of two or more persons claiming to be the widow or widower of the same deceased Member or Pensioner the Trustees shall have absolute discretion to decide which one or more of such persons shall be recognised for the purposes of this definition and, if the Trustees exercise their discretion to recognise more than one such person, they shall (except in respect of benefit described in Rule 17) have power to decide the proportions of benefit to be payable to the persons so recognised.

"Standard Lifetime Allowance" means as defined in section 218 of the Finance Act.

"Trust Period" means 99 years

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

"Trustees for the Members" means as described in sub-Clause 4.3(b).

"Trustees for the Principal Employer" means as described in sub-Clause 4.3(b).

"Unauthorised Payment" means as defined in section 160 of the Finance Act.

"Wages" means fixed wages or salary and allowances (together with any London weighting allowance) determined to be pensionable by the Employer including any such paid on Temporary Promotion, but does not include bonus payments, overtime, substitution payments or any other like payment.

2. Eligibility and Membership

2.1. Subject as provided below, persons within the following categories shall be eligible to be admitted to membership:-

1. any person in Full-time Service or Part-time Service who is on the permanent staff of the Principal Employer and who has not attained the age of 77 years; and
2. any Employee of an Employer other than the Principal Employer which is sufficiently associated with the Principal Employer for its participation in the Scheme not to prejudice its status as a Registered Pension Scheme which adheres to the Scheme under the provisions of Clause 18.1
3. any Individual who in the opinion of the Trustees is an earner in relation to any employer and whether or not such an employer is participating in this Scheme, satisfies the requirements of the Social Security Contributions and Benefits Act 1992 and in particular Section 3 of the 1992 of that Act.

PROVIDED THAT

• the decision of the Principal Employer as to whether any person employed by the Principal Employer is on its permanent staff shall be final, conclusive and binding

• the Disability Discrimination Act 1995 shall be complied with where required by the provisions of that Act

• a Member who is or may be entitled to benefit under the Scheme shall furnish such particulars, including proof of date of birth and, where appropriate, of marriage to the Trustees at such times as shall be required by the Trustees

• an Employee who does not become a Member when first eligible, or a Member who exercises his or her right to cease membership under Rule 2.4, (shall only be allowed to join or re-join in exceptional circumstances, and with the specific consent of the Employer and the Trustees and on such terms as they notify to that person

• any Employee who has been informed that they will be eligible to join on the basis that they contribute to the Scheme may join as Contributors as described in Rule 3.2

• any person who was a Member of the scheme at the date of the Deed may remain in Membership until he or she ceases to be a Member under the provisions of the Rules

* 1. A person who has become eligible to join the Scheme shall be notified in writing to that effect and shall be required to complete such form or forms as the Trustees may require.
  2. An Employee who ceases to be within the Eligibility Category shall be treated for the purposes of the Scheme as having left Service and shall be entitled to the benefits described in Rule 5.
  3. A Member may opt out of membership of the Scheme whilst remaining an Employee on giving three months' notice in writing to the Trustees. Such a person shall be treated as having left Service at the expiry date of the notice and shall be entitled to benefits under Rule 5, subject to the exception described in Rule 2.3 above.

1. Contributions
   1. The Employers shall, together with the Members (where appropriate and subject to the provisions of Clauses 17 and 20, contribute the cost of providing the benefits under the Scheme as described in Clause 3.

The Principal Employer may, in accordance with the provisions of Clause 8.2 and with the agreement of the Trustees, permit the temporary suspension or reduction of contributions by the Employer for a period not exceeding that recommended by the Actuary without triggering the winding-up of the Scheme under Clause 20. If the Principal Employer or an Employer terminates its contribution to the Scheme, the provisions of Clause 20 shall apply (as appropriate).

* 1. Members with the agreement of the Employer be required to contribute to the Scheme PROVIDED THAT a Member who has been informed by the Principal Employer that he or she will be eligible to join on the basis that he or she contributes shall contribute at the rate of 3% of pay or her Wages or such other amount as is notified by the Principal Employer. Such contributions shall cease at Normal Retirement Age.
  2. A Current Member may on 5 April in any year or on such other date as the Trustees may allow, pay AVCs to the Fund subject to such minimum as the Trustees stipulate (being no higher than the statutory minimum) in order to buy additional benefits or increases selected by the Member. The Member may vary the amount of such contributions at a time and in accordance with a procedure to be determined by the Trustees.

The amount of benefits or increases secured by such AVCs shall be such as the Trustees shall determine on a money purchase basis. In addition:-

1. the AVCs shall be invested on a money purchase basis. The Member shall direct the Trustees as to the investment of his or her AVCs, and the Trustees shall select an AVC provider to be available for his or her consideration. Such investments shall be separately identifiable from the other assets and liabilities of the Scheme;
2. AVCs made under arrangements first entered into by the Member on or after 8 April 1987 shall not be used to provide a cash sum unless such is acceptable to HMRC.
3. unless the Trustees otherwise determine, the proportion of any Member's pension which is attributable to AVCs shall not count for the purpose of determining the amount of the benefits payable contingently upon the death of that Member unless the increase in such benefits has itself been provided by AVCs;
4. if it does not prove possible upon the death of a Member to apply his or her AVCs in accordance with his or her selection under this Rule 3, or if no such selection has been made (or the Member withdraws from membership not being a Qualifying Leaver), the Trustees shall refund the AVCs together with compound interest at 2% pa (with annual rests) under the provisions of Rule 14.3;
   1. A Contributor's contributions shall stop on ceasing to be a Current Member or, if earlier on taking benefits on or after Normal Retirement Age.

A Member or Contributor may pay or continue to pay AVCs as long as he or she remains in Service after Normal Retirement Age subject to the agreement of the Employer and the Trustees.

1. Benefits on Retirement
   1. On retirement a Member's Interest will be used to provide the benefits described in the Rules and specified in the Member's Announcement. This may include a pension for the Member and a lump sum.
   2. A Current Member who ceases to be in Service at Normal Retirement Age and who elects by notice in writing to the Trustees to receive his or her pension from Normal Retirement Age shall be entitled to an annual pension payable for the remainder of his or her life of such amount as the Trustees acting on the advice of the Actuary determine may be provided from the Member's Interest at Normal Retirement Age.
   3. A Current Member who retires from Service at any time before his Normal Retirement Age on account of Ill-health (as to which the decision of the Trustees acting on medical advice shall be final) or at any time after reaching age 55 shall at his or her option be granted at his or her date of retirement an annual pension for the remainder of his or her life of such amount as the Trustees, acting on the advice of the Actuary, determine may be provided from the Member's Interest at the date of his or her retirement.
   4. If the Member has not attained the age of 75, no payment of pension other than:
2. a scheme pension,
3. a lifetime annuity, or
4. income drawdown pension

may be paid.

* 1. If the Member has reached the age of 75, no payment of pension other than:

1. a scheme pension, or
2. a lifetime annuity

may be made, but a scheme pension may only be paid if the Member had an opportunity to select a lifetime annuity instead.

1. Benefits on leaving Pensionable Service

Subject to the provisions of Rules 11.17 and Appendix I:

* 1. A Current Member who leaves Service prior to Normal Retirement Age (other than by reason of death or retirement) shall be entitled to an annual pension commencing at Normal Retirement Age, or with the consent of the Trustees at any other date specified in Rule 5.3 (a "Deferred Pension") of such amount as the Trustees acting on the advice of the Actuary determine may be provided from the Member's Interest at the date of his leaving Service

PROVIDED THAT if a non Qualifying Leaver leaves having completed less than two years’ Service, he may at his own request and at the request of his Employer receive a refund of Member's contributions (if any) paid in accordance with Rule 3.

The Member's entitlement at any date subsequent to the date on which he left Service shall be determined in relation to the Member's Interest at such subsequent date and the amount of any pension becoming payable to or in respect of him shall be determined by the Trustees acting on the advice of the Actuary, as the amount which may be permitted by the application of the Member's interest as at the date on which it applied.

* 1. In lieu of a Deferred Pension a Member may request the Trustees to use the cash equivalent of his interest in the Scheme (the "cash equivalent" determined in a manner consistent with the Pension Schemes Act and the Preservation Regulations):

1. as a transfer payment to secure transfer credits under a scheme of a subsequent employer of which he is or becomes a member (under Rule 11); or
2. as the consideration for an Appropriate Policy with an Authorised Insurance Company of his choice; or
3. as a transfer payment to a Personal Pension Scheme or to an appropriate Personal Pension Scheme as described in the Pension Schemes Act

PROVIDED THAT, subject to Rule 5.5:

(i) The Member shall exercise such option by the later of the date which falls one year before the date on which he attains Normal Retirement Age or 6 months after the date when his Service terminates or such later date as may be agreed by such Member with the Trustees

(ii) The Member may direct the Trustees to use the cash equivalent in any combination of the three alternatives above

(iii) The transfer or payment shall be subject to such terms as are or may be prescribed in the Pension Schemes Act and the Pensions Act or any regulations made thereunder or by HMRC

(iv) The Trustees shall except in the circumstances specified in the Pensions Act do what is needed to carry out what the Member requires within 12 months of the date on which they receive the application or by the date on which the Member attains Normal Retirement Age whichever is the earlier but if the Trustees fail to comply with the request within 6 months of their receipt of the Member's application the cash equivalent may be increased in accordance with the Pension Schemes Act

(v) Subject to the time limits in (iv)) above once the Trustees have done all that they need to do to carry out what the Member requires they shall in accordance with and under the provisions of the Pensions Act and this Rule 5 be discharged from any obligation to provide benefits to which the cash equivalent related.

* 1. The date of commencement of the pension referred to in Rule 5.1 may be:

1. any date between the attainment of age 55 and Normal Retirement Age PROVIDED THAT the Member has left the employment to which the benefits relate, or
2. a date later than Normal Retirement Age if the Member establishes to the satisfaction of the Trustees that he is still in employment; or
3. a date earlier than age 55 if the former Member establishes that he is incapacitated (as to which the decision of the Trustees acting on medical advice shall be final).#

The Member shall give the Trustees six months' notice in writing or such shorter period as the Trustees shall accept that he desires to have his pension commence at a date other than Normal Retirement Age.

* 1. In the event of the death of a Member before his pension commences there shall be payable in accordance with the provisions of Rule 14.3 such a lump sum as is specified in the Announcement and a pension to his Spouse and/or Eligible Children or Eligible Dependants of such amounts as are specified in the Announcement.
  2. A Current Member who exercises his right to cease membership whilst remaining in Service will be entitled to a Deferred Pension calculated as above but in lieu of the Deferred Pension the Member may elect to use the cash equivalent as defined in the Pension Schemes Act including any monies held in respect of a transfer into the Scheme from a Personal Pension Scheme in the manner specified in sub-Rule 5.2(b) and (c).
  3. Notwithstanding the other provisions of this Rule, the Trustees may arrange for the Member's entitlement under the Scheme to be transferred to an insurance policy as aforesaid without the Member's consent:

(i) in any case where the benefits to be provided under such policy do not differ from the benefits which could be provided under the Scheme (other than by operation of Rule 8.3); or

(ii) in any other case permitted under the Preservation Regulations or where the Pensions Regulator considers it reasonable for such a provision to be made in accordance with the Preservation Regulations.

1. Benefits on Death
   1. In the event of the death of a Current Member, there shall be payable in accordance with the provisions of Rule 14.3 such a lump sum (if any) as is specified in the Announcement

In the event of the death of a Current Member pensions shall be payable to such one or more of the Spouse and/or Eligible Children or Eligible Dependants of such amounts as are specified in the Announcement

PROVIDED THAT:

1. no payment of pension death benefit may be made otherwise than to a Dependant of the Member;
2. no payment of pension death benefit other than to a Dependant's scheme pension may be made in respect of defined benefits;
3. if a Dependant has not reached the age of 75, no payment of pension death benefit to the Dependant other than:-

(i) a Dependant's scheme pension;

(ii) a Dependant's annuity;

may be made to the Dependant in respect of any defined contribution benefits, but a Dependants' scheme pension may be paid only if the Member or Dependant had an opportunity to select a Dependants' annuity instead.

1. if a Dependant has reached the age of 75, no payment of pension other than:-

(i) a Dependants' scheme pension, or

(ii) a Dependants' annuity,

may be paid to the Dependant in respect of defined contribution benefits, but a Dependants' scheme pension may only be paid if the Member or Dependant had an opportunity to select a Dependants' annuity instead.

1. Options
   1. A Member may take up to 25% of the value of his pension as a lump sum; provided that such sum will only be tax free where it does not exceed 25% of the Standard Lifetime Allowance. Where a Member becomes entitled to a lifetime annuity the applicable amount in calculating the maximum pension commencement lump sum is one third of the purchase price of the annuity including any related Dependant's annuity. A lump sum must be paid within six months before the entitlement to any pension arises and twelve months after the related pension starts

PROVIDED THAT no part of such pension shall be surrendered which exceeds the Member's Interest.

* 1. The Member may commute the pension in cases of triviality. This means that the aggregate commutation limit is 1% of the Standard Lifetime Allowance (as amended by the Finance Act 2011), disregarding any non-trivial tax-free lump sums already taken or to be taken under Rule 7.1. An amount equal to 100% may be commuted between age 60 and 75 in any 12 month period. The payment will count towards the Lifetime Allowance and no other trivial commutation may be paid. The payment will extinguish all other rights and tax will be charged on 75% of the commuted value.
  2. If at the date when any pension becomes payable to a Member the Trustees are satisfied by such evidence as they may require that the Member is in exceptional circumstances of serious ill-health, the Trustees may at their discretion pay a cash sum to the Member in commutation of the whole of that part of such pension or, if the Member has elected the option under Rule 7.1. in commutation of the balance (if any) of such pension.

PROVIDED THAT:

1. the payment is made out of any uncrystallised benefits.
2. HMRC must be notified of any benefit paid.
3. No tax will be payable if the Member's Lifetime Allowance is not exceeded.
4. Increases to, and Payment of, Benefits
   1. Subject to any alternative arrangement made under Rule 8.2 of this Rule, all pensions payable under the provisions of these Rules shall be payable for life by equal monthly instalments in advance, the last instalment thereof not being apportionable to the date of death PROVIDED THAT the last instalment of a pension payable in respect of an Eligible Child shall be on the monthly due date preceding the date on which an Eligible Child ceases to be an Eligible Child. The Trustees shall arrange at the request of, or with the consent of, the Member for such pension payable from the Scheme to be payable in a different manner or in a different form

PROVIDED THAT

* 1. the total benefits in respect of him shall not be less than the Trustees after consultation with the Actuary consider to be actuarially equivalent to his Member's Interest;
  2. this Rule shall not be operated in such a way as to cause the pension to which a Member or his Spouse is entitled to be payable for less than such person's lifetime.
  3. Any benefits to be provided under the Rules may, if the Trustees so determine be secured for the Member, Pensioner or Spouse or other beneficiary by the purchase of or the assignment of a policy of assurance or an annuity contract or policy from an Authorised Insurance Company pursuant to Rule 12.
  4. The Trustees shall review pensions in payment on an annual basis and shall comply with any relevant DWP requirements regarding increases in such pensions. Further increases to such pensions may be granted in accordance with the provisions of Clause 17.
  5. Any pension payable in respect of any Eligible Child in accordance with these Rules may be paid at the discretion of the Trustees to such Eligible Child or to his parent or guardian or to any other person who in the opinion of the Trustees has undertaken responsibility for his care and maintenance. Such payment shall be applied for the maintenance of such Eligible Child and the Trustees shall not be obligated to ascertain whether that guardian or other person has the right to the care and maintenance of such Eligible Child or to supervise the application of the pension by such guardian or other person and without being responsible for any misapplication.
  6. Where any liability to tax arises or may arise in respect of any benefit the trustees may apply the benefit or part of it in payment of such tax (including any interest due thereon) and deduct the amount so paid from the benefit or withhold any benefit until the liability to such tax as aforesaid has been decided.
  7. The following benefits may be payable under the Scheme, subject to the requirements of the Finance Act:

1. A lifetime annuity may be purchased either from uncrystallised funds or unsecured pension funds. Policies securing benefits must not be free-standing and the providers of deferred annuity contracts must be Authorised Insurance Companies;
2. A secured pension may be paid or continue to be paid. This is a scheme pension from the Scheme or guaranteed by the purchase of an annuity contract from an Authorised Insurance Company. Where the Trustees have secured a pension for the Member in the name of the Trustees, the Trustees may, at a Member's request and if the provider agrees and the requirements of paragraph 7 of Schedule 29 to the Finance Act are satisfied pay the Member a lump sum in exchange for pension.
3. A drawdown pension under an income drawdown arrangement may be paid.
4. The Scheme must offer an open market option to a Member before an annuity is purchased for that Member. A lump sum on serious ill-health may be paid where the Trustees have received written evidence from a registered medical practitioner confirming that the Member is expected to live for less than one year and the Trustees are satisfied that the requirements of paragraph 4 of Schedule 29 to the Finance Act have been met.
5. The Trustees shall apply the Member's Interest and any Member's life assurance benefit, where a Member dies before all his benefits have come into payment, in accordance with sections 167 and 168 of the Finance Act. Any uncrystalliscd funds held when the Member died may be used to provide an uncrystallised fund lump sum death benefit. Such lump sum can be paid free of tax if the Member has not used all his Lifetime Allowance at the date of his death.
   1. Where the Member's pensions savings exceeds the Lifetime Allowance, the Lifetime Allowance Charge will be incurred. The Lifetime Allowance is the aggregate lifetime level of tax-relievable funds which apply to the Member.
   2. The only payments of a Registered Pension Scheme is authorised to make to or in respect of a Member of the Scheme is as follows:
6. pensions permitted by the pension rules;
7. lump sums permitted by the lump sum rules or the lump sum death benefit rules;
8. recognised transfers under Rule 11;
9. Scheme administration payments;
10. payments pursuant to a pension sharing order or provision under Appendix I;
11. payments of a description prescribed by regulations made by HMRC.
    1. No lump sum may be paid other than:
12. a pension commencement lump sum;
13. a serious ill-health lump sum;
14. a short service refund lump sum;
15. a refund of excess contributions lump sum;
16. a trivial commutation lump sum;
17. a winding-up lump sum;
18. a Lifetime Allowance excess lump sum

PROVIDED THAT

A person becomes entitled to a lump sum under a Registered Pension Scheme-

1. In the case of a pension commencement lump sum, immediately before the person becomes entitled to the pension in connection with which it is paid;
2. In any other case, when the person acquires an actual (rather than a prospective) right to receive the lump sum.
   1. No lump sum death benefit may be paid other than:
3. a defined benefit lump sum death benefit;
4. a pension protection lump sum death benefit;
5. an uncrystallised funds lump sum death benefit;
6. an annuity protection lump sum death benefit;
7. a charity lump sum death benefit;
8. a transfer lump sum death benefit;
9. a trivial commutation lump sum death benefit;
10. a winding-up lump sum death benefit.
11. Temporary Absence
    1. A Member who is temporarily absent from Service and who has not (except in circumstances acceptable to HM RC) become a member of another Retirement Benefits Scheme (with the consent of the Principal Employer) shall for all the purposes of the Scheme be deemed to remain a Member until the expiry of a continuous period of 5 years or, where absence is due to ill-health, for such longer period as his Employer may allow PROVIDED THAT in any event a person shall cease to be a Member when his Service terminates.

A Contributor shall continue to pay contributions at such level (if any) as is required by the Principal Employer.

* 1. If a female Member is absent from work on maternity leave to which section 71 of the Employment Rights Act applies and her period of absence does not include a period of Paid Maternity Absence she shall be deemed to remain a Member in Service and the provisions of benefits from the Scheme in respect of her shall continue on the basis described in Rule 9.3 until the end of the maternity leave period to which that section of the Employment Rights act applies.
  2. If a female Member is absent from work during any period which is Paid Maternity Absence she shall be deemed to remain a Member in Service throughout such period. The provision of death benefits from the Scheme in respect of her shall continue throughout such period and such period shall be included within her Pensionable Service. Such Member's remuneration for the purposes of calculating any benefit from the Scheme shall be not less than an amount calculated with reference to the remuneration to be attributable to such period in accordance with paragraph 5 of schedule 5 to the Social Security Act 1989.
  3. If a female Member is absent from work on maternity leave and has a right to return to work under section 79 of the Employment Rights Act she shall continue to be deemed to be a Member in Service in accordance with Rule 2 after the cessation of her Paid Maternity Absence until the expiry of the period during which she may exercise her right under the said Act to return to work and the ordinary temporary absence provisions of the Scheme as set out above in paragraph 9.1 (other than in paragraphs 9.2 and 9.3), shall continue to apply in respect of her, PROVIDED THAT if before the end of such period the Member gives notice of her intention not to return to work such provisions shall cease to apply and the Member's period of temporary absence shall cease as from the date of such notice.

PROVIDED THAT the provisions of the Employment Rights Act 1996 (as amended by the Employment Relations Act 1999, the Employment Act 2002, the Work and Families Act 2006 and various sets of regulations) extends maternity leave rights to include paternity leave, parental leave and adoption leave.

1. Transfers-in
   1. If a Member or any group of Members is entitled to benefits under any other retirement benefits arrangement then, in accordance with its provisions or at the written request of any Member (and subject, in the case of a group of Members, to the consent of the Principal Employer). the Trustees may accept from the trustees or administrator of such arrangement:-
2. a cash sum in substitution for the benefit, or for a part of such benefits. under the arrangement; and/or
3. an assignment or transfer of any annuity or assurance contracts or policies on the life of the Member or such other assets or investments which the Trustees are empowered to hold; and/or
4. a new annuity or assurance contract or policy or an amendment of an existing annuity or assurance contract or policy to secure, among other things, benefits on the life of the Member.
   1. Before accepting a payment or transfer the Trustees shall satisfy themselves that such acceptance will not prejudice the status of the Scheme as a Registered Pension Scheme.
   2. On accepting a payment or transfer the Trustees shall confer on the Member such rights and benefits under the Scheme as they shall determine on the advice of the Actuary (and, in the case of a group of Members, as directed by the Principal Employer) and shall notify the Member or Members accordingly

PROVIDED THAT

* 1. benefits arising on retirement shall not be capable of commutation nor paid in lump sum form if a certificate is given to the Trustees by the administrator of the other arrangement to such effect; and
  2. any lump sum benefit shown on a transfer-in certificate may be increased in proportion to any increase in the Index since the date the payment or transfer was received.
  3. Only such part (if any) of the transferred-in assets which are certified by the trustees or other person or persons administering the other arrangement as being derived from the Member's contributions shall be treated as such in the Scheme.
  4. Any death benefit in respect of the transfer shall be paid in accordance with Rule 14.3 unless the Trustees decide otherwise having regard to the nature of and provisions attaching to the assets received and to any agreement made with the Member.
  5. The Trustees shall not assume liability in respect of a Member for

1. an EPB; or
2. a GMP; or
3. Protected Rights; or
4. Contracted-out Employment after 5 April 1997

UNLESS

• before assuming liability they shall ascertain (from the trustees of or persons administering the other arrangement) the amount of such benefit

• the payment or transfer is in their opinion on the advice of the Actuary sufficient to secure the benefit

• upon assuming liability they shall impose such restrictions on the options available to the Member as shall be necessary to comply with the requirements of the Pension Schemes Act.

* 1. A Member who leaves Service before Normal Retirement Age (for any reason except death) shall be entitled to the benefits described under this Rule I0 unless he or she receives a return of his or her own contributions in lieu of other benefit. In that event the return of any of the contributions referred to under Rule 10.4 above shall be in lieu of the whole of the benefits under this Rule 10.
  2. The provisions of this Rule 10 shall be subject to the provisions of Rule 19 the Pension Schemes Act and the Finance Act.

1. Transfers-out

Subject to Rule 5.2:

* 1. If a Member who is leaving or who has left the Service of an Employer and/or who is entitled to a Deferred Pension becomes a member of any other retirement benefits scheme or Personal Pension Scheme or arrangement under the Finance Act or approved by HMRC for the purpose of this Rule, the Trustees may at their discretion and at the request of the Member concerned and if the rules of the receiving scheme or arrangement permit acceptance and subject to such conditions as may be required by HMRC for that purpose transfer the Member's Interest at the date of transfer to the trustees or administrator of the receiving scheme or arrangement.

PROVIDED THAT the costs, charges or expenses incurred in effecting such a transfer shall first (unless otherwise agreed by the Principal Employer and the Trustees from time to time) be deducted from the Member's Interest.

PROVIDED FURTHER THAT the transfer of a Member's Interest may be made to another scheme of the Employer without the consent of the Member or Members concerned, only where the transfer is permissible under the Preservation Regulations and subject always to the provisions of such Regulations.

* 1. The Trustees shall inform the trustees or administrator of the receiving scheme of the amount (if any) of the Member's contributions included in such transfer payment and of any conditions imposed by HMRC and the DWP in relation to such transfer payment.
  2. Reference in this Rule to a transfer shall be deemed to include the transfer of any assets held in the Fund.
  3. If a transfer payment is made in accordance with the provisions of this Rule then no further benefit will be payable under the Scheme to or in respect of the Member.
  4. When on or after a transfer payment having been made to another Retirement Benefits Scheme the administrator of the receiving scheme requests such a certificate as is referred to in sub-Rule 10.3(b), the Administrator shall calculate as at the date of the transfer and supply the receiving scheme with a certificate of the maximum lump sum payable on retirement from the transfer payment.

1. Open Market Option
   1. The Trustees may at their discretion make arrangements to secure any pension together with any associated contingent pension which becomes payable under the Scheme by purchasing such pension from one or more Authorised Insurance Companies under a contract either in the name of the Trustees or of the Member or Pensioner. If such contract is other than in the name of the Trustees the buy-out policy provisions of Rule 5(c) shall, with the necessary alterations in point of detail, apply to this Rule 12.
   2. The securing of benefits in the manner described above in circumstances other than on or after retirement shall be in accordance with Rules 4 to 6.
2. Part-time Service

The amount of pension payable from the Scheme in respect of any Part- time Service of a Member shall be determined by the proportion which the number of hours of such Member's Service in any week bears to the number of hours in the Principal Employer's or Employer's standard working week.

1. Miscellaneous

14.1.

1. No benefit provided from the Scheme is capable of being assigned or charged in any way, and any person who:-

• purports or attempts to assign, charge or alienate in whole or in part any benefit or right to benefit to which he or she is entitled or may become entitled under the Scheme; or

• does or suffers anything whereby any such benefit or right to benefit would but for this sub-Rule become vested in or payable to any other person; or

• is bankrupt when he or she first becomes entitled to a benefit under the Scheme; or

• becomes bankrupt whilst in receipt of a pension from the Scheme

shall, subject to the provisions of sections 91 and 92 of the Pensions Act, immediately forfeit all right to benefit or to further payments of benefit from the.

1. In the event that any person who forfeited the right to any Benefit by reason of bankruptcy is discharged from such bankruptcy (and provides satisfactory evidence of such discharge to the Trustees) the Trustees may at their discretion reinstate such right to benefit and commence or resume payment of benefit

PROVIDED THAT the amount of such benefit shall be calculated having regard to the provisions of Rules 8.1 and 8.2 as if the benefit had not been forfeited, and no recompense shall be given for missed payments during the period of bankruptcy as if the benefit had not been forfeited; and

1. Where a benefit which would otherwise have become payable to any person has been forfeited by operation of (a) above the Trustees may, in case of hardship, hold pay or apply such benefit for the support and maintenance of that person or his or her Spouse or Children or other Eligible Dependants or any of them

PROVIDED THAT payment shall not be made to any person purporting to be an assignee or chargee of such benefit; and

1. A forfeiture of benefit described under (b) above shall not affect the entitlement of the Member's or Pensioner's Spouse, Children or Eligible Dependants to benefit becoming payable on the Member's or Pensioner's death. The amount of such benefit shall be calculated having regard to the provisions of Rules 8.1 and 8.2 as if the benefits had not been forfeited; and
2. Subject to the provisions of the Pensions Act, no pension or other periodical payment under the Rules shall be paid to a person who:-

(i) is undergoing a sentence of imprisonment or is detained in legal custody; or

(ii) has not received a payment within 6 years of the date on which the instalment became due for the reason that the Trustees were unaware of the existence or whereabouts of such person

PROVIDED THAT any instalment to which this paragraph (c) refers may be paid or applied at the discretion of the Trustees for the support or maintenance of the Spouse of that person or for the support or maintenance of any other person dependent on that person.

14.2. Subject to the provisions of section 91 of the Pensions Act, if a Member is dismissed by the Principal Employer or an Employer for fraud or dishonesty or voluntarily leaves employment with the Principal Employer or the Employer so escaping being dismissed, the Trustees may withhold from any benefit to which he or she is entitled such sum as may be due to the Principal Employer or the Employer arising out of a criminal negligent or fraudulent act or omission by the Member and shall pay that sum to the Principal Employer or the Employer

PROVIDED THAT there shall be no lien in respect of any benefits for the Member which have derived from a transfer into the Scheme (unless the transfer was from a scheme relating to employment with the Principal Employer or the Employer or any associated employer and a lien could have been exercised in respect of such benefits under the scheme from which the transfer was made.

The Member shall be entitled to a certificate showing the amount withheld and the effect on his or her benefits or prospective benefits.

In addition, the amount shall not be greater than the actuarial value of the Member's actual or prospective benefits at the time of the reduction nor greater than the amount of the debt, and in the event of a dispute as to the amount no reduction shall be made until the debt has become enforceable under a court order or the award of an arbitrator (or an arbiter in Scotland).

14.3. In respect of any benefit stated to be payable in accordance with this Rule 14, the Trustees shall (subject to proviso (a) below) have power within two years of the Member's or Pensioner's death to pay such benefit to, or for the benefit of, the Member's or Pensioner's Relatives or Eligible Dependants and/or any other person or persons whom the Member or Pensioner had nominated in an expression of wish form to the Secretary. The benefit shall be paid to such person or persons in such proportions (if appropriate) as the Trustees shall in their discretion decide

PROVIDED THAT

1. if the trustees are satisfied having made all reasonable enquiries that the Member's estate was insolvent or if any part of the Members' estate would fall to be treated as bona vacantia belonging to the Crown or to the Duchy of Lancaster or to the Duchy of Cornwall the said benefit (or such balance thereof) shall not be payable but shall fall into and form part of the assets of the Scheme for all the purposes of the Scheme;
2. the Trustees shall have recorded the receipt of any expression wish form which is lodged with the Secretary;
3. in default of the exercise of the power of payment within two years of the Member's or Pensioner's death the Trustees shall pay the monies to that person's personal representatives. EXCEPT THAT if the trustees are satisfied having made all reasonable enquiries that the Member's estate was insolvent or if any part of the Members' estate would fall to be treated as bona vacantia belonging to the Crown or to the Duchy of Lancaster or to the Duchy of Cornwall the benefit or such balance thereof shall not be payable but shall fall into and form part of the assets of the Scheme for all the purposes of the Scheme;
4. before making any payment in accordance with this Rule 14 the Trustees shall have regard, where appropriate, to any order of the Court made in accordance with the Matrimonial Causes Act 1973.
5. Disposal of assets on winding-up
   1. On the commencement of winding-up of the Scheme under the provisions of Clause 20 the Trustees shall be entitled to reserve out of the Fund such amount as they consider may be necessary to meet any expenses of the administration and winding-up of the Scheme which in their opinion may not be recoverable from the Employers and to meet any tax, duty or other payments for which they may be accountable under the Scheme.

The Trustees shall, with the advice of the Actuary, apply the Fund in securing the payment of benefits and refunds of contributions firstly in the order of priority set out in Rule 15.2 and secondly as regards any part then remaining in the order of priority set out in Rule 15.3 below (in both cases having regard to the provisions of the Pensions Act 2004).

* 1. The following priority order shall apply:-

1. any expenses in relation to the administration and winding-up of the Scheme;
2. where the trustees are entitled to benefits under a relevant pre-1997 contract of insurance entered into in relation to the Scheme and either that contract may not be surrendered or the amount payable does not exceed the liability secured by the contract, the liability so secured;
3. any liability for pensions or other benefits to the extent that the amount of the liability does not exceed the Pension Protection Fund liability other than the liability in paragraph (a) above;
4. any liability for pensions or other benefits which in the opinion of the Trustees are derived from the payment by any Member of voluntary contributions, other than a liability referred to in paragraphs (a) or (b),
5. any other liability in respect of pensions or other benefits.

PROVIDED THAT

• a lump sum may be paid in lieu of pension benefit in circumstances of serious ill-health or triviality as described in Rule 7; and

• a Contributor who is not a Qualifying Leaver shall be entitled to receive a refund of contributions in lieu of any other benefit;

1. Any monies which remain after the provisions of Rules 15.2 have been met may, if the Trustees so decide, be used to augment the benefits payable thereunder and the residue shall be returned to the Employers in such proportions as they shall with the advice of the Actuary determine

PROVIDED THAT

• the Trustees shall first deduct and account to the Inland Revenue for any tax due under the Finance Act.

• The Trustees have satisfied section 76 of the Pensions Act and Part 4 of the Occupational Pension Schemes (Payments to Employer) Regulations 2006 (SI 2006/802).

* 1. Any benefits to be provided under this Rule 15 may be secured by the Trustees in either or both of the followings ways:-

1. by the purchase in respect of any Member or Pensioner of appropriate benefits under an Appropriate Policy (or any other policy or annuity contract acceptable to HM RC, subject, with the necessary alterations in point of detail, to the provisions of Rule 12;
2. by the transfer of an amount in respect of any Member or group of Members or Pensioners, if acceptable to HMRC to secure appropriate benefits under a retirement benefits arrangement of which he or she becomes a member subject, with the necessary alterations in point of detail, to the provisions of Rule II

PROVIDED THAT

• appropriate benefits are benefits which, in the opinion of the Trustees with the advice of the Actuary, are not less in value than the benefits in respect of the Member or Pensioner under this Rule 15. Such benefits shall be subject to conditions which the Trustees consider to be as similar as may be practicable to those which apply under the Scheme or to different conditions which are acceptable to the Pensions Regulator and HMRC;

• a transfer under (b) above shall not be subject to the consent of the Member or other person if the transfer is to another Registered Pension Scheme relating to the same employment or to another employment with the same Employer or the Employer's successor and if the Actuary makes the relevant certification described in the Preservation Regulations; and

• the Trustees shall comply with the provisions of the Pensions Act 2004.

• On the winding-up of the Scheme, the assets shall be disposed of in the manner described in Clause 20.3

1. Equivalent Pension Benefits

A Member or Pensioner shall be absolutely entitled under the Scheme to EPBs if he or she has been in non-participating employment in relation to the Scheme or in relation to any other retirement benefits arrangement from which the liability for the payment of equivalent benefits has been transferred to the Scheme.

APPENDIX I

PENSIONS ON DIVORCE

Rule 1: Definitions

"Ex-Spouse" means an individual to whom pension credit rights have been or are to be allocated following a pension sharing order, agreement or equivalent provision.

"Ex-Spouse Participant" means an Ex-Spouse who participates in the Scheme. For this purpose the ex-spouse participant must participate in the Scheme, either,

(i) solely for the provision of a pension credit benefit, or

(ii) for the wholly separate provision of a pension credit benefit, where benefits accrue or have accrued to that individual under the Scheme.

"Insurance Company" is as defined in s.6598 of the Finance Act. "Member" includes former Member, where the context so requires.

"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 s.31 of the Welfare Reform and Pensions Act 1999 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 Compensation Sharing Order" means any order which provides that one party's shareable rights to Pension Protection Fund Compensation (referred to in Ch.1 of Pt 3 of the Pensions Act 2008), that derive from rights under a specified pension scheme, are subject to pension compensation sharing for the benefit of the other party and specifics the percentage value to be transferred.

'Pension Credit" means a credit under s.29(1)(b) of the Welfare Reform and Pensions Act 1999.

”Pension Credit Benefit" in relation to a scheme means the benefits payable under the scheme to or in respect of a person by virtue of rights under the scheme attributable (directly or indirectly) to a pension credit.

''Pension Debit" means a debit under s.29(1 )(a) of the Welfare Reform and Pensions Act 1999.

"Pension Debit Member" means a Member whose benefit have been permanently reduced by a pension debit excluding a moderate earner as defined in reg.5 of the Retirement Benefits Schemes (Sharing of Pensions on Divorce or Annulment) Regulations 2000.

"Pension Sharing Order" means any order which provides that one party's shareable rights under a specified pension arrangement are subject to pension sharing for the benefit of the other party and specifics the percentage value or the amount to be transferred.

"Qualifying Arrangement" means a qualifying arrangement under para.6, Sch.5 to the Welfare Reform and Pensions Act 1999.

"Scheme Member" means a member of the Scheme to whom benefit is currently accruing as a result of service as an Employee, or an Ex-Spouse Participant whose rights under the Scheme derive from a pension sharing order agreement or equivalent provision.

Rule 2

The Scheme provisions are revised 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 or the assignment of part or all of the Ex-Spouse Participant's benefits or rights to benefits under the Scheme to his/her Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision.

Rule 3

The Trustees must make provision for the pension credit benefits under the Scheme to be treated as provided separately from any benefits provided under the Scheme for the same individual as an Employee or as the dependant of an Employee.

Rule 4

The Trustees will give the Ex-Spouse details of the option to require the Trustees to discharge the Pension Credit by making a payment to a Qualifying Arrangement in accordance with the Welfare Reform and Pensions Act 1999.

Rule 5

The Trustees will issue a notice of implementation under the Welfare Reform and Pensions Act 1999 and will notify the Member and the Ex-Spouse of the valuation day under the Act. The Trustees will then:

• carry out a valuation of the benefits for the Member that are subject to a Pension Sharing Order; and

• calculate the Pension Credit in accordance with the Welfare Reform and Pensions Act 1999 and the Pension Sharing (Valuation) Regulations 2000.

Rule 6

Where the Trustees accept a transfer payment for an individual who is already an active member of the Scheme or is already an Ex-Spouse Participant in the Scheme and are informed by the transferer that the transfer value consists wholly or partly of Pension Credit Rights in the former scheme or arrangement, then the Trustees must separately identify the transfer payment relating to the Pension Credit Rights or the part of the transfer payment relating to the Pension Credit Rights from other funds held for the benefit of the Member. Furthermore, the Trustees must comply with the requirements of Rule 3 in respect of the transferred-in Pension Credit Rights. Then the individual will acquire the status of an Ex-Spouse Participant in the Scheme in relation to his/her transferred-in Pension Credit benefits.

Rule 7

If a transfer of the fund underlying Pension Debit benefits for the Member is made to a Registered Scheme under the Finance Act, the Trustees must give full details of the Pension debit to the receiving scheme/arrangement.

Rule 8

The Trustees shall comply with the request of an active Member who has been granted Pension Credit Rights to use his cash equivalent to secure benefits under a receiving registered scheme or other scheme which would not prejudice the status of the Scheme as a Registered Scheme. Once the transfer has been made the member and all others claiming under him shall have no further interest in the Scheme.

Rule 9

The Trustees will discharge their liability for a Pension Credit for and in respect of a Member for and in respect of an Ex-Spouse:

• By paying the Pension Credit to a Qualifying Arrangement with the consent of the Ex-Spouse (External Transfer); or

• Where such consent is not obtained (subject to Rule 8) by paying the Pension Credit to a Qualifying Arrangement without the consent of the Ex-Spouse (Default Option).

Payment will be made in respect of the relevant provisions of the Welfare Reform and Pensions Act 1999 and the Trustees shall be discharged accordingly.

Rule 10

No person with Pension Credit or with Pension Credit Rights shall have any right or interest under the Scheme except under and to the extent specified in this Appendix, including rights to any discretionary increases augmentation or provision of new benefits.

Rule 11

If the Ex-Spouse dies after a Pension Sharing Order has been made out but before the Trustees discharge their liability in respect of the Pension Credit, they shall discharge their liability in their discretion in one or more of the following ways:

• paying lump sums at their discretion under the Scheme provisions;

• purchasing an annuity or insurance policy for one or more Dependants.

In a manner which satisfies the requirements of the Implementation and Discharge Regulations. The Trustees will then be discharged from liability in respect of the Pension Credit.

Rule 12

The benefits of a Pension Debit Member are also subject to the requirements set out in the relevant legislation referred to above and to social security legislation.

Rule 13

Where a Member acquires a Pension Credit on or after April 6, 2006 it will count towards that Member's Lifetime Allowance. If the pension being shared has been brought into payment on or after that date, the Member can apply for an uplift to his Lifetime Allowance.

Rule 14

If a Member was subject to a Pension Debit prior to April 6, 2006, it does not count towards the Lifetime Allowance.

Rule 15

Fallowing the coming into effect of the Civil Partnership Act 2004, pension sharing orders on the dissolution of a civil partnership apply in the same way as pension sharing orders on the dissolution of a marriage.

Rule 16

A court may have regard to any Pension Protection Fund compensation in relation to a Pension Sharing Order. It may impose requirements on the trustees or managers of a pension scheme for which the Board of the Pension Protection Fund has assumed responsibility in accordance with the Pensions Act 2004, as amended. Any such order of the court takes effect from the date the trustees or managers of the pension scheme received the transfer notice. Any such payment by the Board of the Pension Protection Fund shall discharge so much of its liability to the party with compensation rights as correspond to the amount of the payment. Where the party with compensation rights has a right to commute any Pension Protection Fund compensation, the court may require the party to exercise such right of commutation for the purposes of any pension sharing order.

Rule 17

Where a pension scheme is being wound-up, Pension Credits will be accorded the same rights on winding-up if they have come into payment as the rights of a pension member, and, if they have not come into payment, as the rights of a deferred member.