

Dated: 03 July 2010

Trust Deed

adopting replacement provisions governing the

Cloaca Maxima Retirement Benefit Scheme

Date of Deed : 03 July 2010

1. **CLOACA MAXIMA LIMITED** (Company No. 03244550) whose registered office is at Little Tufton House 3 Dean Trench Street London SW1P 3HB (in this Deed called the "Principal Employer")
2. **ALEXANDER STEVENSON** of 3rd floor 21a Foley Street London W1W 6DS
HENEAGE STEVENSON of 1 Flodden Road London. SE5 9LL
CHARLES DENNISTOUN STEVENSON and **WILLIAM STEVENSON** both of 32 Catherine Place London SW1E 6HL (in this Deed called the "General Trustees")

Recitals

- (A) Cloaca Maxima Retirement Benefit Scheme (in this Deed called the 'Scheme') is a pension scheme which is governed by a Definitive Trust Deed dated 21 September 1997, Supplemental Deeds dated 16th April 2002, and a Deed of Amendment dated 27 June 2005 (in this Deed called the 'Existing Provisions')
- (B) It is intended to replace the Existing Provisions in their entirety, the power of amendment and alteration is cited in Rule 13.1 of the Existing Provisions as being vested in the Principal Employer with the consent of the General Trustees.
- (C) In this Deed (including the recitals) "Effective Date" means the date of this Deed.

Operative provisions

1. Each Trustee who is a member by his execution of this deed gives his consent as a member to any and all modifications made by this deed, and confirms that he has had a reasonable opportunity to make representations to the other Trustees about the modifications, and that he is aware that the consent requirements apply in his case in respect of the modifications. Words given a specific meaning for the purposes of section 67 of the Pensions Act 1995 shall have the same meaning in this clause.
2. Pursuant to 13.1 of the Existing Provisions, those Existing Provisions shall cease to have effect and the Scheme shall be governed by the attached Rules, PROVIDED THAT:
 - a. the power in Rule 3.1 (Power of Amendment) may be exercised by the Principal Employer with the consent of the majority Trustees;
 - b. the power in Rule 4.1 (Appointment and Removal of Trustees) may be exercised by deed by the Principal Employer alone without the consent of the Trustees.
3. The provisions of this deed shall have effect on and from its date.

IN WITNESS OF WHICH this document is executed as a Deed and is delivered on the date stated above.

SIGNED as a deed, and delivered when dated,
by **CLOACA MAXIMA LIMITED** acting by

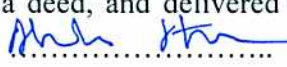
Director Signature:
Name :

 (WILLIAM STEVENSON)

Director/
Secretary Signature:
Name :



Alexander Stevenson

SIGNED as a deed, and delivered when dated,
by  (signature)
ALEXANDER STEVENSON in the presence
of:

Witness

Signature:



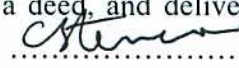
Name :

DAVID WEINSTEIN-LINDER

Address :

13 A CHAPTER STREET

SUIP 4NY

SIGNED as a deed, and delivered when dated,
by  (signature)
CHARLES DENNISTOUN STEVENSON in
the presence of:

Witness

Signature:



Name :

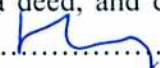
John Randolph Thornton


Address :

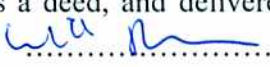
1236 S. Ocean Blvd


Palm Beach, Florida, USA

33480

SIGNED as a deed, and delivered when dated,
by  (signature)
HENEAGE STEVENSON in the presence of:

Witness Signature: 
Name : DAVID WEINSTEIN-LINDER
Address : 13A CHAPTER STREET
 LONDON
 SW1P 4NY

SIGNED as a deed, and delivered when dated,
by  (signature)
WILLIAM STEVENSON in the presence of:

Witness Signature: 
Name : DAVID WEINSTEIN-LINDER
Address : 13A CHAPTER STREET
 LONDON
 SW1P 4NY

Scheme Rules (small self-administered registered scheme)

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Part 1 – Scheme Structure and Operation

1 Interpretation

1.1 In the Rules unless the context otherwise requires:

"Act" means Part 4 of the Finance Act 2004 and the schedules relating to that Part.

"Adopting Deed" means the deed by which the Rules were adopted.

"Alternatively Secured Fund" means any part of an Individual Fund which was Unsecured Fund when the relevant individual reached the age of 75 or which became held for the purposes of the relevant *arrangement* after the relevant individual reached the age of 75, or which in the opinion of the Trustees should be so designated to reflect any regulations made under section 283(2) or any designation existing immediately before the Rules took effect.

"Benefit" means an actual or prospective entitlement to any benefit under the Scheme (including any part of a *pension* and any payment by way of *pension*) and "Beneficiary" has a corresponding meaning.

"Dependant" in relation to a Member has the meaning it has in the Act and includes a person who was married to the Member when the Member first became entitled to a *pension* under the Scheme but excludes any person of whose existence the Trustees are unaware having made reasonable enquiries.

"Enhanced Protection" means, in relation to a Beneficiary, the application of paragraph 12 of Schedule 36 in his case.

"Fund" means all contributions, gifts and transfer payments made to and received by the Scheme and any other monies, investments, policies, property or other sums or assets for the time being held by the Trustees upon the trusts of the Scheme. The allocation of any part of the Fund to any Individual Fund or to the General Fund shall be notional and for the purpose of calculating benefits only.

"General Fund" means any part of the Fund which is not an Individual Fund.

"General Trustee" means any Trustee who is not an Independent Trustee.

"HMRC" means The Commissioners or officers of Revenue and Customs or both of them, as the context may require.

"Independent Trustee" means a Trustee who is independent in relation to the Scheme for the purposes of section 23 of the Pensions Act 1995 and whose appointment is expressed to be as Independent Trustee.

"Independent Registered Trustee" means an Independent Trustee who is registered in the register maintained by the Regulator in accordance with regulations made under section 23(4) of the Pensions Act 1995 .

"Individual Fund" in relation to a Member or Dependant means that part of the Fund which the Trustees determine is attributable to him having regard to:

- (i) (in the case of a Member only) any contributions made by him and by any other person in respect of him;
- (ii) (in the case of a Member only) any reduction agreed with the Member as necessary to obtain Enhanced Protection;

- (iii) (in the case of a Dependant only) any part of the Individual Fund of a Member designated as available for the provision of *income withdrawal* in accordance with the Rules following the death of that Member;
- (iv) any transfers made to the Scheme in respect of him;
- (v) any allocation or reallocation of any part of the Fund in accordance with the Rules;
- (vi) any *pension credit* or *pension debit* applicable to him;
- (vii) any income, gains or losses (whether realised or not), fees, costs and expenses borne by the Fund and any actual or prospective liabilities of the Trustees (other than liabilities to pay Benefits) or of the Scheme Administrator attributable to the Fund.

The Trustees may for this purpose determine that a specific asset of the Fund, or a specific proportion thereof, shall be attributed to a specific Individual Fund (either for a fixed period or indefinitely) and may vary or revoke any such determination, but in each case only with the consent of any person whose Individual Fund is affected.

"Member" means:

- (i) a person admitted as a Member in accordance with Rule 16; or
- (ii) a person who was a member (within the meaning of Part 1 of the Pensions Act 1995) of the Scheme immediately before the Rules took effect or (for the purposes of the definition of Dependant only) immediately before his death

and "Membership" has a corresponding meaning.

"Participating Employer" means the Principal Employer or any other *employer* which has been admitted to participation in the Scheme in accordance with Rule 11.2.

"Partner" in relation to an individual means any person who is (or was immediately before the individual's death) his spouse or civil partner (within the meaning of section 1 of the Civil Partnership Act 2004).

"Principal Employer" means the person (if any) so called in the Adopting Deed or any other person appointed in accordance with Rule 11.3.

"Regulator" means the Pensions Regulator established by the Pensions Act 2004.

"Relative" in relation to an individual means:

- (i) any ancestor or descendant (however remote) of the individual or of his Partner;
- (ii) any stepchild, brother or sister of the individual (whether of the whole or of the half-blood) and any descendant of any such stepchild, brother or sister;
- (iii) any Partner of the individual or of any person within (i) or (ii) above;
- (iv) any stepbrother or stepsister of the individual

and for these purposes:

- (i) 'descendant' includes adopted persons;

- (ii) the class of Relatives shall be closed at the individual's date of death except that it shall include persons then en ventre sa mere who if they had then been born would have been Relatives.

"Rules" means these rules and any amendments or modifications to them.

"Scheme" means the scheme to which these rules apply.

"Scheme Administrator" means the person or persons responsible for the discharge of the functions conferred or imposed on the scheme administrator of the Scheme by and under the Act.

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

"Uncrystallised Fund" means any part of an Individual Fund which is not Unsecured Fund or Alternatively Secured Fund (and has not been applied towards the provision of any other benefit in accordance with the Rules).

"Unsecured Fund" means any part of an Individual Fund which is designated as available for the provision of *unsecured pension* in accordance with Rule 22 or which in the opinion of the Trustees should be so designated to reflect any regulations made under section 283(2) or any designation existing immediately before the Rules took effect, and which has not become Alternatively Secured Fund.

1.2 Where the context does not require otherwise:

1.2.1 terms given a specific meaning in the Act shall have the same meaning where they are identified in italics in the Rules;

1.2.2 terms given a specific meaning for the purposes of sections 91 to 95 of the Pensions Act 1995 shall have the same meaning where they are used in Rules 31 and 32;

1.2.3 references to all or part of a section or schedule shall be taken as references to the relevant provision of the Act;

1.2.4 references to any gender shall include any other gender;

1.2.5 references to the singular shall include the plural and vice versa.

1.3 Reference to any enactment or regulations shall include reference to any statutory amendment or re-enactment for the time being in force and where appropriate any subsequent related regulations or other legislation.

1.4 Indices and headings are included for convenience only and shall not affect the interpretation of the Rules.

2 Constitution of Scheme and Fund

2.1 The Scheme is governed by the trusts, powers and provisions contained in the Rules. The Trustees hold the Fund upon irrevocable trusts and with and subject to the powers contained in the Rules and may do anything expedient or necessary for the support and maintenance of the Fund and for the benefit of the Members and those claiming under them.

2.2 Subject to the powers expressed to be exercisable by any of the Participating Employers, the Trustees may conclusively determine whether or not any person is a Beneficiary and the amount of any Benefit, and may also conclusively determine all questions and matters of doubt arising in connection with the Scheme.

- 2.3 No person shall have any claim, right or interest in respect of the Fund except under the Rules.
- 2.4 No person shall have any right to enforce any provision of the Rules by virtue of the Contracts (Rights of Third Parties) Act 1999 which he would not have apart from that Act.
- 2.5 The Rules shall in all respects be governed by and interpreted according to the laws of England. The parties submit to the exclusive jurisdiction of the courts of England.

3 Amendment of the Rules

- 3.1 The persons specified for this purpose in the Adopting Deed may at any time by deed modify delete or add to all or any of the provisions of the Rules with retrospective immediate or future effect, subject only to any restrictions imposed by the Adopting Deed and section 67 of the Pensions Act 1995.

4 Trustees: Appointment and Removal

- 4.1 The persons specified for this purpose in the Adopting Deed may at any time by deed and subject only to any restrictions imposed by the Adopting Deed:
 - 4.1.1 remove any one or more of the Trustees;
 - 4.1.2 appoint one or more persons to be new or additional trustees of the Scheme.
- 4.2 Any Trustee (except a sole Trustee) may retire by giving notice in writing to the remaining Trustees and will then be discharged and cease to hold office immediately.
- 4.3 The Trustees shall do everything necessary to give effect to any removal or retirement and to vest the Fund in any new or additional Trustees and/or in the continuing Trustees as the case may be.
- 4.4 There shall be no minimum nor maximum number of Trustees. Either a corporation (whether or not a trust corporation) or an individual may act as a sole Trustee.

5 Trustees: Powers, duties and discretions

- 5.1 The Trustees are granted all the powers, rights, privileges and discretions they require for the proper implementation of the Scheme, including the performance of all duties imposed on them by law.
- 5.2 The Trustees shall not be required to consult, or act upon the wishes of, Beneficiaries and section 11(1) of the Trusts of Land and Appointment of Trustees Act 1996 shall not apply to the Scheme.
- 5.3 The Trustees may delegate or authorise sub-delegation of any of their duties, powers and discretions to any one or more of themselves or of the Participating Employers or such other person or persons or body as the Trustees may from time to time determine and the Trustees are not liable for any loss arising as a consequence.
- 5.4 The Trustees have power:
 - 5.4.1 to employ and to remunerate any agent or agents (including any of themselves or one or more of the Participating Employers) in the transaction of any business of the Scheme including the payment of Benefits;

- 5.4.2 to appoint and obtain the advice of any actuary, solicitor, accountant, auditor or other adviser upon such terms as to duties and remuneration as they think fit;
 - 5.4.3 to appoint and to remove (or to arrange for the appointment and removal of) any clerical or executive officers or staff as they consider desirable and to utilise the services of any officers or staff as any of the Participating Employers may make available for this purpose;
 - 5.4.4 to appoint an investment manager or investment managers in relation to the whole or any part of the Fund;
 - 5.4.5 to accept for the purposes of the Scheme or renounce any gifts, donations or bequests.
- 5.5 Any *insurance company* or other person dealing in good faith with the Trustees or their delegate may on their written authority remit any sums due to be paid to the Trustees and/or their delegate (subject to deducting and forwarding any tax due under Rule 30) directly to any person or persons to whom corresponding sums may be payable under the Scheme.
- 5.6 The Trustees have full powers of investment and application of any monies and other assets which form part of the Fund including all such powers which they could exercise if they were absolutely and beneficially entitled to the Fund. In particular and without prejudice to the generality of the foregoing the Trustees may invest or apply all or any part of the Fund in any part of the world:
- 5.6.1 in deferred or immediate annuity policies, life assurance policies, retirement, endowment or sinking fund contracts or policies each of which are effected with an *insurance company*;
 - 5.6.2 in any interest in land or property (including commercial and residential property);
 - 5.6.3 in units, unit trusts or mutual funds or other common investment funds or securitised issues or any other form of collective investment;
 - 5.6.4 in the purchase of or subscription for or in underwriting, sub-underwriting or guaranteeing the subscription of any stocks, shares, debenture stocks or other investments;
 - 5.6.5 in entering into and engaging in any obligations or contracts or dealings including dealings in currencies, traded options, financial futures, commodities or commodity futures;
 - 5.6.6 in choses in action and other personal chattels (and, in Scotland, movable property whether corporeal or incorporeal) and any other asset, whether wasting or depreciating or otherwise;
 - 5.6.7 by opening and operating accounts with any local authority, bank, *insurance company*, building society or finance company upon such terms as the Trustees think fit;
 - 5.6.8 by participating in any scheme of deposit administration or any managed fund administered by an *insurance company*; and
 - 5.6.9 by participating in any investment (whether income producing or not) or in the acquisition, and/or development of any interest in land or property jointly with any other party or parties whether as partners or as trustees to hold it upon trust for sale or otherwise, even if the interest of the Trustees in any such venture is a minority interest

and may sell, lend, lease, license, surrender, assign, convert, repair, alter, improve, maintain, develop, demolish, vary or transpose any assets of the Fund

- 5.7 The Trustees may lend monies to any person upon such security and subject to such terms as they consider fit.
- 5.8 The Trustees may:
- 5.8.1 borrow or raise any monies from any person upon such security and subject to such terms as they consider fit, and
 - 5.8.2 apply money borrowed in any manner which they think fit for the purposes of the Scheme including without prejudice to the generality of the foregoing for the purpose of purchasing any investment authorised by Rule 5.6 hereof.
- 5.9 The Trustees may insure or procure the insurance of any assets of the Fund against such risks and for such amounts as they may determine and may apply any part of the Fund whether income or capital in effecting and maintaining the insurance. The Trustees shall hold the proceeds of the insurance upon the trusts of the Scheme with power for the Trustees to pay or apply the proceeds in whole or in part in or towards the repair, replacement, reinstatement or preservation of the asset insured or (as the case may be) in indemnifying the Trustees or the Fund against any claim made in relation to that asset. These powers may be exercised by the Trustees as if they were the absolute owner of the Fund.
- 5.10 In the exercise of any of their powers the Trustees may join with the trustees of any other *pension scheme* or with any other person on such terms as the Trustees may agree:
- 5.10.1 in having a joint deposit or current account;
 - 5.10.2 in borrowing money;
 - 5.10.3 in taking out annuity or insurance contracts or policies with an *insurance company*;
 - 5.10.4 in the exercise and delegation (and authorisation of sub-delegation) of powers of investment, application and insuring of Fund assets;
 - 5.10.5 in appointing a nominee to hold investments or engage in transactions, and
 - 5.10.6 in sharing a portfolio of investments to the intent that any money paid towards and investments put into a combined portfolio are regarded as securing or representing a share in it on such basis as may be agreed with the other person(s).
- 5.11 The Trustees may either in their names or those of their nominee or nominees:
- 5.11.1 make other suitable arrangements (in addition to those mentioned in this rule) with an *insurance company* for the provision of all or any Benefits;
 - 5.11.2 enter into any arrangements with an *insurance company* to reinsure the whole or any portion of the risks undertaken, and in particular including reinsuring against any excess of claims that might fall upon the Scheme owing to a catastrophe or epidemic, and may pay out of the Fund all premiums and other monies (if any) required for effecting and maintaining any such policies or arrangements.
- 5.12 The Trustees are entitled to deal with any policies or contracts by way of surrender, exchange, mortgage or otherwise or to make such other arrangements as they think fit.

- 5.13 Any provision made under the power to insure in respect of any Benefit (whether immediate or contingent) may be made by effecting an individual annuity contract or policy in the name of the Beneficiary or in the names of the Trustees or (if the contract or policy was initially effected in the names of the Trustees) by assigning it to the Beneficiary. Each contract or policy must be subject to any terms and conditions necessary to comply with the Pension Schemes Act 1993.
- 5.14 Where any interest in land in England and Wales is to be held as an asset of the Scheme, an Independent Trustee may at its absolute discretion, as an alternative to title being vested in it, require a restriction to be entered on the register preventing any disposal of the interest without its consent.

6 Trustees: Liability, indemnity and remuneration

- 6.1 The duty of care under section 1 of the Trustee Act 2000 shall not apply to any Trustee in relation to the Scheme.
- 6.2 Subject to section 33 of the Pensions Act 1995, no Trustee shall be liable for the consequence of any mistake or forgetfulness whether of law or fact of the Trustees, their agents, employees or advisers or of any of them or for any maladministration or breach of duty or trust whether by commission or omission except to the extent that it is proved to have been made, given, done or omitted in personal conscious bad faith (or negligence in the case of a professional Trustee) by the Trustee sought to be made liable.
- 6.3 The Trustees shall, to the extent permitted by section 256 of the Pensions Act 2004, be indemnified out of the Fund against any losses, liabilities, costs, charges or expenses or other amounts any of them may suffer or incur as a Trustee in connection with:
- 6.3.1 any proceedings brought in order to comply, or procure compliance by any Trustee or Beneficiary or other person, with any obligation imposed by law or by this deed or any agreement made under it;
 - 6.3.2 any proceedings brought by or on behalf of a Beneficiary;
 - 6.3.3 any other proceedings;
 - 6.3.4 any liability to tax or other imposition of any kind in respect of any payment to be made to or in respect of a Beneficiary;
 - 6.3.5 the execution of the trusts of the Scheme generally
- except to the extent that such amounts:
- 6.3.6 are recoverable by the Trustees under any policy of insurance and would not be recoverable but for this exception, or
 - 6.3.7 are suffered or incurred as a result of the personal conscious bad faith (or negligence in the case of a professional Trustee) of the Trustee concerned.
- 6.4 The Trustees shall not be obliged to bring, pursue, defend or appeal any proceedings or decisions in relation to the Scheme.
- 6.5 The Trustees may take out trustees' indemnity insurance or in the case of a corporate Trustee directors' and officers' insurance to cover any liability or potential liability which they may have in respect of the Fund or the Scheme and the cost of premiums shall, to the extent permitted by section 256 of the Pensions Act 2004, be borne by the Fund.
- 6.6 Any Trustee engaged in any profession or business shall be entitled to be paid and retain all usual professional or proper charges and commissions for business done by him or his

firm in connection with the Scheme including acts which a Trustee who is not in any profession or business could have done personally.

6.7 Notwithstanding any other provision of the Rules, an Independent Trustee shall be entitled to:

6.7.1 recover out of the Fund all fees, costs and expenses incurred in connection with the Scheme (including any under Rule 6.7.3) without the consent of the other Trustees or of any other person;

6.7.2 operate alone any bank, building society or similar account on behalf of the Trustees for the purposes of Rule 6.7.1 (and the other Trustees hereby irrevocably authorise and appoint the Independent Trustee for this purpose); and

6.7.3 apply to the court for an order for his removal.

6.8 In this Rule 6:

6.8.1 references to Trustee(s) shall be taken to include any former Trustee and any present or former officer of a present or former corporate Trustee;

6.8.2 references to proceedings shall be taken to include any investigation by the Pensions Ombudsman and any other form of action, proceeding or claim.

7 Trustees: duty to keep records etc

7.1 The Trustees shall keep such books and records in such form and manner and for such periods as may be required either:

7.1.1 for the proper administration and management of the Scheme; or

7.1.2 by section 49(2) Pensions Act 1995.

7.2 The Trustees shall:

7.2.1 if required by law; or

7.2.2 if requested by any Trustee (but not if such request is made less than 12 months after this Rule 7.2 last applied)

arrange for a statement of accounts to be prepared in relation to the Fund and (if so required or requested) to be audited.

7.3 If the Scheme has an Independent Trustee then the Participating Employers, the Scheme Administrator and the General Trustees:

7.3.1 shall at all times promptly provide the Independent Trustee with any information it may reasonably require concerning the Scheme, including without limitation details of any actual or proposed investments.

7.3.2 consent to the Independent Trustee making any report it considers reasonably necessary concerning the Scheme, whether to the Regulator or to HMRC or otherwise;

7.3.3 agree that no duty to which the Independent Trustee is subject shall be regarded as contravened merely because of any information or opinion contained in such a report.

8 Trustees: Proceedings

- 8.1 Subject to the remainder of this rule, the Trustees may regulate their proceedings as they think fit and make decisions by written resolution (which may consist of one or more documents in similar form) or in meeting or otherwise (including by telephone, electronic mail and any other means or combination of means whether all participants are able to communicate with each other at the same time or not and whether constituting a meeting or not).
- 8.2 Subject to Rule 8.3, all decisions which fall to be made by the Trustees shall be made:
- 8.2.1 (if the Trustees include all the Scheme's members (within the meaning of Part 1 of the Pensions Act 1995) but not an Independent Registered Trustee) by unanimous agreement by the General Trustees;
- 8.2.2 (otherwise) by a majority of the General Trustees.
- 8.3 The agreement of any Independent Trustee shall be required to any decision:
- 8.3.1 to modify, delete or add to any provision of the Scheme;
- 8.3.2 to terminate or wind up the Scheme;
- 8.3.3 to exercise any of the powers in Rules 5.6 to 5.13; or
- 8.3.4 to apply Rule 25 (Alternative Application of Individual Fund); or
- 8.3.5 on any other matter notified by the Independent Trustee to the General Trustees in writing from time to time for this purpose.
- 8.4 As soon as practicable after any decision has been made which did not require the agreement of the Independent Trustee, the General Trustees shall provide a copy of the decision or minute or other documentary evidence of it to the Independent Trustee.
- 8.5 Agreement of the Independent Trustee for the purposes of Rule 8.3 means agreement in writing or at a meeting or in such other manner as the Independent Trustee may specify. In giving or refusing such agreement, the Independent Trustee shall have regard to:
- 8.5.1 whether the decision would or might result in a *scheme chargeable payment* or in any other liability to tax falling on any of the Trustees or Scheme Administrator
- 8.5.2 the Scheme's status as a *registered pension scheme*
- 8.5.3 the administration of the Scheme in accordance with the Rules
- as appropriate, but shall not be obliged to have regard to any other factor. In any event its agreement shall not constitute or involve:
- 8.5.4 approval or endorsement of the intrinsic merits of any proposed or actual investment; or
- 8.5.5 a day to day decision relating to the management of relevant assets within the meaning of the Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001; or
- 8.5.6 agreement that the relevant action is prudent or appropriate or consistent with any other duty imposed on the Trustees by law or consistent with the interests of Beneficiaries individually or generally.

- 8.6 No decision of or exercise of a power, duty or discretion by the Trustees or by any delegate of the Trustees shall be invalidated or questioned on the ground that any Trustee (or any director or officer of a corporate Trustee) or delegate had a personal interest in the manner or result of the decision or of exercising the power, duty or discretion. A Member who is or who has been a Trustee (or a director or officer of a corporate Trustee) or a delegate of the Trustees shall be entitled to retain beneficially any Benefit or other interest which he may have under the Scheme.
- 8.7 A corporate body appointed to act as a trustee of the Scheme may exercise its powers, duties, authorities and discretions under the Rules by its board of directors or by any of its duly authorised officers.

9 Scheme Administrator

- 9.1 The Trustees may from time to time appoint in writing one or more persons resident in the United Kingdom to act as Scheme Administrator. Where no such appointment has been made, the Scheme Administrator shall be:
- 9.1.1 if the Rules took effect on the establishment of the Scheme, such of the General Trustees as are resident in the United Kingdom;
- 9.1.2 otherwise, the person who was, or persons who were, the scheme administrator for the purposes of the Act or the administrator for the purposes of Chapter I of Part XIV of *ICTA* or the person referred to in section 638(1) of *ICTA* in relation to the Scheme (as appropriate) immediately before the Rules took effect.
- 9.2 Any person required by the Rules to act as Scheme Administrator shall make any declaration to HMRC and do any other thing required to enable him so to act.
- 9.3 The Trustees shall provide, and shall exercise their powers under the Rules to procure, such documents, records and other information and assistance as the Scheme Administrator may reasonably request in connection with the functions conferred or imposed on it by and under the Act.
- 9.4 The Scheme Administrator may appoint any one or more persons to act as a practitioner or other agent on such terms as to remuneration and otherwise as may be approved by the Trustees. Any costs and expenses incurred as a result of such appointment shall be borne in accordance with Rule 10.
- 9.5 Rule 6 shall apply to any Trustee acting (whether alone or with any other person) as Scheme Administrator as if anything done or omitted to be done by him as Scheme Administrator were done or omitted to be done by him as a Trustee.

10 Costs of the Scheme

- 10.1 All costs charges and expenses of and incidental to the administration and management of the Scheme shall be borne by the Fund except to the extent that they are borne by the Participating Employers.

11 Employers

- 11.1 Each Participating Employer shall at all times until the determination of the trusts of the Scheme duly perform and observe each and every provision of the Scheme which ought to be performed and observed by it (including any provision applying to it as Principal Employer for the time being).

- 11.2 The Trustees may at any time by deed admit any other *employer* to participate in the Scheme as a Participating Employer provided that *employer* enters into a covenant with the Trustees in such form as the Trustees may require.
- 11.3 The Trustees may at any time by deed agree with any other *employer* that it shall become Principal Employer in place of the existing Principal Employer (if any).
- 11.4 If at any time a Participating Employer:
- 11.4.1 has ceased to exist;
 - 11.4.2 has an administrative receiver as defined in Section 29(2) of the Insolvency Act 1986 appointed in respect of all or part of its property;
 - 11.4.3 has a liquidator appointed under Part IV of the Insolvency Act 1986;
 - 11.4.4 has an administrator appointed under Part II of the Insolvency Act 1986; or
 - 11.4.5 having been a body corporate under the control of the Members (or of any one or more of them together) at the date these Rules took effect, ceases to be under such control ("control" being construed in accordance with section 416 of *ICTA*)

then all its powers and discretions under the Rules and any other provision governing the Scheme, whether fiduciary or not, shall vest in and be exercisable by the Trustees alone and any requirement for its consent or approval or similar shall not apply unless the Trustees determine otherwise.

12 Transfers between Schemes

- 12.1 The Trustees may at their absolute discretion:
- 12.1.1 accept in respect of any person a transfer of all or any of the assets of another *pension scheme* to the Scheme, to provide such Benefits as the Trustees may specify, to and in respect of that person;
 - 12.1.2 make in respect of any Beneficiary a transfer of his Individual Fund (or an amount representing it) to another *registered pension scheme* or *qualifying recognised overseas pension scheme*, to provide such benefits under the other scheme as may be offered by the trustees or managers of the other scheme.
- 12.2 The Trustees shall not be required to obtain the consent of the person or persons in respect of whom the transfer is accepted or made except:
- 12.2.1 in relation to a transfer which would prejudice Enhanced Protection, whether an *impermissible transfer*, or a transfer that is not a *permitted transfer*, or otherwise;
 - 12.2.2 in relation to a transfer that is not a *recognised transfer*; or
 - 12.2.3 where required by law.
- 12.3 In connection with any such transfer the Trustees shall have power to provide such information to such persons as may be required by the Act or otherwise as they may in their absolute discretion determine to be necessary.
- 12.4 If the purpose of a transfer made to the Scheme under Rule 12.1 is the provision or continuation of a pension permitted by the *pension death benefit rules*, these Rules shall apply to such pension as if the person in respect of whose death it is payable had been a Member at the date of his death.

- 12.5 A transfer made from the Scheme under Rule 12.1 shall (subject to any special terms or conditions imposed by the Trustees) extinguish the Individual Fund concerned and any corresponding entitlement to Benefits and the Trustees shall be released from any liability in respect of those Benefits.

13 Buying Out Benefits

- 13.1 The Trustees may at any time arrange with an *insurance company* to secure outside the Scheme the Benefits payable or prospectively payable out of an Individual Fund, by:

13.1.1 application of the relevant Individual Fund or its proceeds towards the purchase of an appropriate policy from, or entry into an appropriate contract with, the *insurance company*;

13.1.2 assignment of the benefit of any policy or contract forming part of that Individual Fund and previously effected in the names of the Trustees or their nominees with that *insurance company*

in either case on such terms as the Trustees in their absolute discretion think fit.

- 13.2 Following such application, the Trustees shall be discharged from all claims in respect of such Benefits.

14 Winding up and dissolution

- 14.1 The remaining provisions of this Rule 14 shall apply upon:-

14.1.1 the Trustees so resolving; or

14.1.2 the eightieth anniversary of the date of establishment of the Scheme, unless the Scheme can then lawfully be continued.

- 14.2 The Scheme shall be determined and the Fund shall be wound up provided that the trusts of the Scheme shall remain in force and all powers under the Rules shall remain exercisable until the Fund has been completely wound up.

- 14.3 The Trustees shall apply any General Fund in accordance with Rule 27.

- 14.4 The Trustees shall apply each Individual Fund in the following order:

14.4.1 in discharging so much of the actual or anticipated costs, charges and expenses of and incidental to the application of the Fund (including the remuneration of professional advisers) as the Trustees in their absolute discretion may determine;

14.4.2 in provision of any *lump sum death benefit* payable in respect of a death occurring before the application of this Rule 14;

14.4.3 in securing benefits in respect of the relevant Member or Dependant in such one or more of the ways described in Rule 14.5 as the Trustees in their absolute discretion may determine having regard to the Benefits that would otherwise have been payable from the Scheme.

- 14.5 The ways described in this Rule are:

14.5.1 purchase of an immediate or deferred annuity from an *insurance company* on any terms;

14.5.2 payment of a lump sum permitted by the *lump sum rule*;

14.5.3 payment of a transfer in accordance with Rule 12.1.2.

14.6 The determination of the Trustees as regards the application of the Fund shall be absolute and final and every Member or other recipient shall accept the amount of his benefit in respect of him in full discharge of all claims against the Fund or the Scheme and shall have no further claim whatsoever.

14.7 If the assets of the Fund include annuity contracts or annuity policies effected in the names of the Trustees or their nominees with any *insurance company* the Trustees shall either:

14.7.1 enter into an arrangement with the *insurance company* to assign them to, or transfer or secure them in trust for, the person or persons entitled to benefit under them, or

14.7.2 assign them to another *pension scheme*

as appropriate.

Part 2 – Membership and Benefits

15 Medical evidence and other relevant information

- 15.1 The Trustees may at any time request any Beneficiary to supply such evidence of age, good health, marital status, rights and entitlements under other *pension schemes* and other evidence and information as they may reasonably require, and may withhold payment of all or part of any Benefits until the evidence or information is received and accepted by the Trustees as correct and sufficient.
- 15.2 Any Beneficiary shall without delay notify the Trustees of any event or fact which affects or may affect his eligibility to participate in the Scheme or his entitlement or prospective entitlement under it.

16 Admission to Membership

- 16.1 The Trustees may in their absolute discretion admit as a Member:
- 16.1.1 any *employee* of a Participating Employer
- 16.1.2 any other person whose admission is in the opinion of the Trustees consistent with the Scheme's status as a *registered pension scheme*.
- 16.2 Admission to Membership shall be subject to such requirements and on such terms, whether generally or in any particular case, as the Trustees may in their absolute discretion determine.

17 Contributions

- 17.1 Each Member and each Participating Employer may make contributions to the Fund of such amounts and at such times as the Trustees may in each case agree.
- 17.2 In the case of contributions to be paid by a Member out of remuneration from a Participating Employer, the Participating Employer shall at the request of the Trustees deduct those contributions and remit them to the Trustees (or as they direct) at whatever intervals they stipulate.
- 17.3 Any other person may with the consent of the Trustees make a contribution to the Fund.
- 17.4 Any contribution shall be allocated:
- 17.4.1 to such one or more new or existing Individual Funds as the contributor may direct at or before the time when it is made; or
- 17.4.2 in the absence of any such direction, to the General Fund.

18 Multiple Individual Funds

- 18.1 The Trustees may at any time treat any existing part of a Member's Individual Fund or any new contribution in respect of a Member as if it were a separate Individual Fund, in which case it:
- 18.1.1 shall constitute a separate Individual Fund for the purposes of the Rules (including without limitation this Rule 18.1); but

- 18.1.2 shall not constitute a separate *arrangement* for the purposes of the Act unless the Member and Trustees expressly agree.

19 Benefits for Member

- 19.1 Any Uncrystallised Fund of a Member shall:

19.1.1 be applied to pay a *pension commencement lump sum* in accordance with Rule 21; and

19.1.2 (as to any remainder) become designated as available for the provision of *unsecured pension* in accordance with Rule 22

on the day before the Member's 75th birthday or on such earlier date as the Member may select, being not earlier than the earliest date on which:

19.1.3 the Member reaches his *normal minimum pension age* (or any *protected pension age*); or

19.1.4 the *ill-health condition* is met.

20 Benefits following death of Member

- 20.1 On the death of a Member the Trustees shall apply his Individual Fund in such one or more of the following ways as the Trustees in their absolute discretion may determine:

20.1.1 designation as available for the provision of *unsecured pension* or *alternatively secured pension* for one or more surviving Dependants in accordance with Rule 22;

20.1.2 if the Member died before age 75, provision of one or more *lump sum death benefits* in accordance with Rule 23;

20.1.3 if the Member died at or after age 75 and there are no Dependants, provision of one or more *lump sum death benefits* in accordance with Rule 24;

20.1.4 if no person exists for whom benefits can be provided in accordance with the preceding provisions of this Rule 20.1, allocation to the General Fund.

- 20.2 On the death of a Dependant for whom *income withdrawal* was being provided in accordance with Rule 22 following the death of a Member, the Trustees shall apply the Dependant's Individual Fund in such one or more of the following ways as the Trustees in their absolute discretion may determine:

20.2.1 designation as available for the provision of *unsecured pension* or *alternatively secured pension* for one or more other Dependants of the Member in accordance with Rule 22;

20.2.2 if the Dependant died before age 75, provision of one or more *lump sum death benefits* in accordance with Rule 23;

20.2.3 if the Dependant died at or after age 75 and there are no other Dependants of the Member, provision of one or more *lump sum death benefits* in accordance with Rule 24;

20.2.4 if no person exists for whom benefits can be provided in accordance with the preceding provisions of this Rule 20.2, allocation to the General Fund.

20.3 If a Dependant, for whom *income withdrawal* was being provided in accordance with Rule 22 following the death of a Member, ceases to be a Dependant, the Trustees shall apply the Dependant's Individual Fund in such one or more of the following ways as the Trustees in their absolute discretion may determine:

20.3.1 designation as available for the provision of *unsecured pension* or *alternatively secured pension* for one or more other Dependents of the Member in accordance with Rule 22; or

20.3.2 allocation to the General Fund.

21 Pension Commencement Lump Sum

21.1 A *pension commencement lump sum* to be provided in accordance with this Rule:

21.1.1 shall be of such amount (consistent with the Act) as the Member may specify and as the Trustees may agree; and

21.1.2 shall be paid within the period of twelve months beginning when this Rule applies (or within such shorter period as the Act may require in any particular case).

22 Income Withdrawal

22.1 Where this Rule applies to an individual's Unsecured Fund or Alternatively Secured Fund, the Trustees shall pay out of that Unsecured Fund or Alternatively Secured Fund to the individual such amounts and at such times as the individual may specify, provided that:

22.1.1 no payment shall be made if it would not qualify as *income withdrawal*; and

22.1.2 the Trustees may impose such restrictions as to timing and minimum and maximum amounts of payments as they reasonably consider appropriate.

23 Lump Sum Death Benefits (on death before 75)

23.1 On the death of an individual who is a Member or Dependant, any part of his Uncrystallised Fund or Unsecured Fund to be applied in accordance with this Rule shall be paid to or for the benefit of (or by way of settlement or otherwise to trustees, including trustees of any discretionary trust, for the benefit of persons including) such one or more of the following and in such proportions as the Trustees in their absolute discretion may determine:

23.1.1 the individual's Relatives;

23.1.2 any person for whom *income withdrawal* may be provided on that death (whether actually provided or not);

23.1.3 (on the death of a Member) any person or body nominated for this purpose by the Member;

23.1.4 (on the death of a Dependant) any person or body nominated for this purpose by the Member (or if the Member made no nomination, the Dependant);

23.1.5 any person entitled under the individual's will to any interest in the individual's estate; and

23.1.6 the individual's *personal representatives* (but not if the payment would then pass as *bona vacantia*).

- 23.2 Any payment out of an Uncrystallised Fund in accordance with this Rule must be made before the end of the period of two years beginning with the day on which the individual died (or with such later day as the Act may permit in any particular case).
- 23.3 Any payment out of an Unsecured Fund in accordance with this Rule shall be subject to deduction of such amount as the Trustees may determine in respect of a liability to tax under section 206 of the Act.

24 Lump Sum Death Benefits (on death at or after 75)

- 24.1 On the death of a Member, any part of his Alternatively Secured Fund to be applied in accordance with this Rule shall be paid in such one or more of the following ways and in such proportions as the Trustees in their absolute discretion may determine:

24.1.1 to a *charity* nominated by the deceased Member;

24.1.2 so as to become part of the Individual Funds of one or more other Members nominated by the deceased Member (or if the Member made no nomination, selected by the Scheme Administrator).

- 24.2 On the death of a Dependant for whom *income withdrawal* was being provided in accordance with Rule 22 following the death of a Member, any part of his Alternatively Secured Fund to be applied in accordance with this Rule shall be paid in such one or more of the following ways and in such proportions as the Trustees in their absolute discretion may determine:

24.2.1 to a *charity* nominated by the deceased Member (or, if the Member made no nomination, by the Dependant);

24.2.2 so as to become part of the Individual Funds of one or more other Members nominated by the deceased Member or, if no nomination is made by the Member, the Dependant (or if the Dependant made no nomination, selected by the Scheme Administrator).

25 Alternative Application of Individual Fund

- 25.1 The Trustees may at any time at the request of a Member or Dependant (or, where the Member or Dependant is deceased, his *personal representatives*) apply all or any part of his Individual Fund:

25.1.1 to provide any one or more of the benefits permitted by the *pension rules, lump sum rule, pension death benefit rules or lump sum death benefit rule* and not otherwise permitted by the Rules;

25.1.2 to provide benefits of any kind other than a *payment*;

25.1.3 to make *unauthorised payments* of any kind

to or for the benefit of the Member or Dependant or any other person and the Trustees shall not be liable for any loss or tax charge or other liability which the Member or Dependant or any person claiming in respect of him may suffer as a result.

26 Payment of benefits

- 26.1 Any Benefit shall be paid by bank transfer or otherwise as may be agreed with the recipient.

- 26.2 If the Trustees have taken out an insurance policy with an *insurance company* to meet any obligations to pay Benefits then those Benefits shall be payable only if and to the extent that the Trustees are able to recover payment under the terms of the insurance policy.
- 26.3 If and for so long as a person entitled to a Benefit is a minor, or in the opinion of the Trustees unable to act by reason of mental disorder or otherwise, the Trustees may pay or direct the payment of the Benefit to any one or more of his parents, guardians, spouse or other person legally appointed or authorised to receive it on his behalf to be applied for his benefit.
- 26.4 Any payment made under Rule 26.3 shall operate as a complete discharge to the Trustees and they shall not be under any liability to enquire into its application.

27 Application of the General Fund

- 27.1 The Trustees may at any time apply all or any part of the General Fund to:
- 27.1.1 meet any amounts described in Rule 10 (Costs of the Scheme) not already met in accordance with that Rule;
 - 27.1.2 augment any Individual Fund;
 - 27.1.3 create an Individual Fund for a person to be admitted at that time as a Member;
 - 27.1.4 provide new, additional or increased benefits for any person;
 - 27.1.5 (subject to any restrictions imposed by the Act or by section 37 or 76 of the Pensions Act 1995), make payments to one or more Participating Employers
- or in any other way which in the opinion of the Trustees is consistent with the status of the Scheme as a *registered pension scheme*.

28 Preservation Requirements

- 28.1 Any preservation requirements (within the meaning of section 132 Pension Schemes Act 1993) which apply to the Scheme shall be deemed to form part of the Rules and shall override any other provision of the Rules with which they conflict.

29 Notices

- 29.1 Notices to the Trustees or Scheme Administrator shall be given in writing and shall not be effective until actually received. Any Trustee or Scheme Administrator may waive all or part of these requirements in relation to any notice to be given to him.

30 Taxation and overpayments

- 30.1 Without prejudice to any other provision of the Rules, the Trustees shall be entitled to deduct from any payment made to any person or body a sum equal to any tax to which the Trustees or Scheme Administrator are, or may become, liable as a result of the payment and shall remit the tax to the appropriate office of HMRC. Where the Trustees are uncertain of the extent of any tax liability, they may at their absolute discretion either deduct such amount as they may determine or postpone the payment.
- 30.2 The Trustees shall have absolute discretion as to whether to seek to recover any overpayment of benefits.

31 Assignment, Surrender, etc

- 31.1 Any Benefit may be assigned, commuted, surrendered or charged and a lien or set-off may be exercised in respect of it only to the extent permitted by this Rule 31 or not prohibited under section 91 of the Pensions Act 1995.
- 31.2 The Trustees may in their absolute discretion, but subject to the conditions in Rule 31.3, reduce any Benefit (and any corresponding Individual Fund) of a Beneficiary:
 - 31.2.1 (except to the extent that it includes transfer credits other than prescribed transfer credits) for the purpose of enabling a Participating Employer to obtain the discharge by the Beneficiary of some monetary obligation due to the Participating Employer and arising out of a criminal, negligent or fraudulent act or omission by him, or
 - 31.2.2 for the purpose of discharging some monetary obligation due from the Beneficiary to the Scheme and arising out of a payment made in error in respect of the benefit, or arising out of a criminal, negligent or fraudulent act or omission by him, or (if he is a Trustee) arising out of a breach of trust by him.
- 31.3 The conditions in this Rule 31.3 are that:
 - 31.3.1 the amount of the reduction must not exceed the amount of the monetary obligation in question;
 - 31.3.2 the Beneficiary must be given a certificate showing the amount of the reduction and its effect on his Benefits;
 - 31.3.3 where there is a dispute as to its amount, the reduction must not be applied unless the obligation in question has become enforceable under an order of a competent court or in consequence of an award of an arbitrator or, in Scotland, an arbiter to be appointed (failing agreement between the parties) by the sheriff.

32 Forfeiture, etc

- 32.1 Any Benefit may be forfeited only to the extent permitted by this Rule 32.
- 32.2 The Trustees may in their absolute discretion determine that any Benefit of a Beneficiary shall, even if it would otherwise belong absolutely to the Beneficiary, be forfeited if:
 - 32.2.1 the Beneficiary fails to claim it within six years of the date on which it becomes due;
 - 32.2.2 the Beneficiary attempts to assign, charge or alienate it or it otherwise becomes the subject of a transaction or purported transaction which under Rule 31 is of no effect;
 - 32.2.3 the Beneficiary has been convicted of one or more offences, which are committed before the Benefit becomes payable, and are offences under the Official Secrets Acts 1911 to 1989 for which the person has been sentenced on the same occasion to a term of imprisonment of (or to two or more consecutive terms amounting in the aggregate to) at least 10 years, or offences of treason, or other offences prescribed for this purpose;
 - 32.2.4 the Beneficiary has incurred some monetary obligation due to a Participating Employer and arising out of a criminal, negligent or fraudulent act or omission by the Beneficiary and the Participating Employer has requested that this Rule 32.2.4 apply and the conditions in Rule 31.3 are met (with the reduction of the Benefit being the amount forfeited).

- 32.3 Any part of an Individual Fund representing an amount forfeited under this Rule 32 shall become part of the General Fund except that, in a case to which Rule 32.2.4 applies, an amount equal to the amount forfeited may, if the Trustees so determine, be paid to the Participating Employer.

33 Pension Sharing

- 33.1 The Trustees shall discharge any liability in respect of a person acquiring a *pension credit* in such one or more of the following ways as they in their absolute discretion shall think fit:

33.1.1 admitting that person as a Member in accordance with Rule 16.1 and determining for that person an Individual Fund equal in value to an amount representing that credit;

33.1.2 making a transfer payment in respect of that person in accordance with Rule 12.1.2 (as if the reference to Beneficiary included that person and as if the reference to Individual Fund were to an amount representing that credit);

33.1.3 applying an amount representing that credit towards the purchase of an appropriate policy from, or entry into an appropriate contract with, an *insurance company* in respect of that person.

- 33.2 The Trustees may at their absolute discretion reduce either or both of:

33.2.1 the amount representing the credit; and

33.2.2 the Individual Fund subject to the corresponding *pension debit*

by an amount or amounts representing in aggregate all or any part of the costs, charges or expenses incurred in connection with the credit (whether in the provision of any relevant information, the implementation of any relevant order or otherwise).