

David Wood Pension Scheme
David Wood Baking Limited
1 Calverley Road
Oulton
Leeds
LS26 8JD

10 June 2014

Dear Sirs,

POWERS UNDER THE TRUST INSTRUMENT

The Scheme is governed by a trust deed and rules dated, the trustees being David Wood and Karen Wood.

Trustees of most occupational pension schemes are required by law to formally appoint certain professional advisers to carry out specific tasks in relation to the scheme (section 47(1), PA 1995). These include:

- A scheme auditor.
- A scheme actuary (if the scheme is a defined benefit scheme)
- An investment manager (or fund manager) if the scheme's assets include investments (within the meaning of the Financial Services and Markets Act 2000). The investment manager must be appointed by or on behalf of the trustees.

Trustees can only rely on advice from these advisers if they have been properly appointed in the manner prescribed by section 47 of the PA 1995. This includes a requirement that the appointment is in writing and that the adviser acknowledges the appointment.

Where all members are trustees and the trustees agree by unanimous resolution they are entitled to rely on exemptions under Pensions Act 1995, including appointment of scheme actuary and auditor. In respect of investment selection, they are also entitled to rely on exemptions permitted under regulation 12(1) of the Occupational Pension Schemes (Investment) Regulations 2005 and others.

The trustees are not required in respect of scheme borrowing or property purchase to seek advice under section 47(1), PA 1995 and this is implicit within the rules of the scheme, which is attached herewith under a deed of amendment.

You will note that in part 5.5.9 it provides that the trustees have the power to “lend monies to, and borrow or raise monies from, any person for such purposes and upon such security and subject to such terms as they consider fit provided that those terms are consistent with the requirements of the Act”.

Consistent within the requirements of the Act means in this context Finance Act 2004 and the scheme’s tax registration status as a registered pension scheme.

The Act further requires that under S184, the Trustees are permitted to borrow an aggregate amount up to 50% of the net value of the fund immediately before the borrowing has taken place.

I trust that this clarifies the position in respect of the pension scheme’s borrowing and investment provisions regarding investment selection in respect of property purchase.

Yours sincerely

A handwritten signature in cursive script, reading "G A McCloskey".

Gavin McCloskey
For Pension Practitioner .Com

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