

Pension Practitioner.com
Daws House
33-35 Daws Lane
London
NW7 4SD

Att Brad Davis

29/06/2012

Dear Sirs,
Ref Vortex Designs H 56153 SSAS

Further to our recent correspondence please find enclosed the current Trust Deed and Rules and a copy of any Amendment Deeds to enable you to move the SSAS H56153 to yourselves for administrating.

I have informed Standard Life Pensions of the change and enclosed a copy of my termination letter. They have acknowledged the one months notice and want the transfer to happen before the end of July 2012 to avoid additional charging.

Would you be as kind as to arrange the transfer.

Yours Sincerely



Michael R Tozer

Vortex Designs Ltd

- THIS PASSPORT CONTAINS 32 PAGES

Mae 32 tudalen yn y pasport /myn/ Tha 32 duilleag aig a' chread-siubhail seof /Dit paspoort bevat 32 bladzijden/ Ce paspoort contient 32 pages/ Dieser Pass enthält 32 Seiten/ Il presente passaporto contiene 32 pagine/ Dette pas består af 32 sider/ Tá 32 leathanach sa phas seof /To trapón ziafampio ntipixxi 32 citabêr/ Este pasaporte contém 32 páginas/ Este pasaporte contiene 32 páginas/ Tärni passi sisältää 32 sivua/ Passet innehåller 32 sidor/ Tento pas má 32 strán/ Seiles passio on 32 lehekülge/ Saja pasê ir 32 lapusses/ Same pase yra 32 puslapiai/ Dan il-passaport fii 32 pagina/ Ten Paszport zawiera 32 strony/ Ta polni list ima 32 strani/ Tento cestovný pas má 32 strán/ Ee at ütlevel 32 lapból áll

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

PASSPORT
PASSEPORT

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Code: Code
GBR

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TO 7FD

TOZER

WYCHOWANIE

MICHAEL RICHARD GREEN, *Editorial Board* (12)

BRITISH CITIZEN

BRITISH CITIZEN

11 OCT / OCT 54

11 OCT /OCT 54

Sex / Sample (S) / Place of birth (J)

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NAPIER

12 JAN / JAN 07

12 JAN / JAN 07

12 JUL / JUL 17
Date of expiry/Date d'expiration (2)

12 JUL / JUL 17

12 JUL / JUL 17
Date of expiry/Date d'expiration (2)

[illegible]



Certificate for fixed protection

190013:00000107:001

Mr Michael Richard Tozer
15 Falconers Field
Harpenden
Hertfordshire
AL5 3EU

Pension Schemes Services

FitzRoy House
Castle Meadow Road
Nottingham
NG2 1BD

Phone 0845 600 2622

For our opening hours go to
www.hmrc.gov.uk or phone us

Fax 0115 974 1480

Date 19 April 2012

Certificate reference number 8017245M

National Insurance number NB 60 57 19 B

This certificate confirms that you are relying on *fixed protection* to reduce or eliminate liability to the lifetime allowance charge (see note 1). You must give your Scheme Administrator your certificate number at every benefit crystallisation event, until you have used up all of your protected lifetime allowance. If you don't you may not benefit from the protected lifetime allowance.

Your lifetime allowance is the greater of £1.8 million or the standard lifetime allowance.

Your lifetime allowance will remain at the greater of £1.8 million or the standard lifetime allowance where you continue to meet the conditions for *fixed protection* (see note 2).

Your protection is valid from 6 April 2012.

Misuse of this certificate may result in a financial penalty.

Notes

1 *Fixed protection* is protection against a lifetime allowance charge in accordance with paragraph 14, Schedule 18 Finance Act 2011.

2 Failure to continue to meet the conditions in paragraph 14, Schedule 18 Finance Act 2011 will mean that *fixed protection* will no longer apply and the standard lifetime allowance will apply. If an event occurs whereby paragraph 14, Schedule 18 Finance Act 2011 no longer applies you must tell HM Revenue & Customs within 90 days of the event happening. If you don't you may be liable to a financial penalty.

017759



COUNCIL TAX DEMAND NOTICE 2012/2013

3986

Issued by St Albans District Council

District Council Offices, Civic Centre, St Peter's Street, St Albans, Herts AL1 3JE

HOW THE TAX IS ARRIVED AT FOR BAND G

Herts County Council
St Albans D.C.
Harpenden Town
Herts Police Authority

£	% Change
2493.07	0.0
1864.72	0.0
269.45	-1.2
112.53	3.0
246.37	0.0

Date of Issue 12-MAR-2012

Telephone No. for enquiries about this bill:
Council Tax Section
(01727) 866100 ext 2204,2205,2266 or 2278

Account Number 10483684

NAME AND CONTACT ADDRESS

MR MR TOZER
15 FALCONERS FIELD 59141239
HARPENDEN
HERTS
AL5 3EU

59141239

PROPERTY ADDRESS THE BILL RELATES TO

15 FALCONERS FIELD
HARPENDEN
HERTS
AL5 3EU

PROPERTY REFERENCE: 11010254015026

Reason for Bill : Annual

Charge For Period

Band G

01-APR-2012

31-MAR-2013

£

2493.07

TOTAL AMOUNT PAYABLE

£

2493.07

If there is a change in your circumstances which could affect your discount entitlement you must tell the Council within 21 days from the date of that change. Failure to do this may result in a penalty of £70

PAYMENT INSTRUCTIONS

Account Number 10483684

Vortex Designs SSAS Year End 2011

2011 annual figures which we compiled internally and passed on to Standard Life for annual return filing.

These figures will not include latest valuations of investments and properties which may have been applied by Standard Life.

VORTEX DESIGNS SSAS

YEAR ENDED 31 JULY 2011

<u>Fund Account</u>	<u>£</u>
Contributions received	5,000
Rents received	67,376
Interest received - deposits	-
Increase (decrease) in MV of Property	-
Increase (decrease) in MV of Investments	-
Total Income	<u>72,376</u>
Interest payable - loan	2,909
Administrative costs	40
Property related costs	-
Total Expenditure	<u>2,949</u>
Net Increase in fund in the year	69,427
Net assets of the fund brought forward	915,662
Net assets of the fund carried forward	<u>£985,089</u>

<u>Statement of Net Assets</u>	<u>£</u>
Investments	77,590
Property at cost / valuation	940,275
Bank Deposits	41,593
Rent debtors (creditors)	0
Total assets	<u>1,059,459</u>
Loan due from (to) Vortex Designs Ltd	(62,978)
VAT liability	(5,636)
Rent deposits held	(5,756)
Net assets of the fund carried forward	<u>£985,089</u>

Notes to the Fund accounts

1. The Vortex Designs SSAS owns the freehold property at No.1 Marlborough Park, Southdown Road, Harpenden. The trustees valued the property at £625,000 as at 31 July 2010. The SSAS also owns a warehouse premises situated in Welwyn Garden City. This is included at cost price which totalled £315,275.

2. The investments relate to Standard Life SSAS pension plan H56153 and are based on contributions made to the plan.

SSAS TAKEOVER QUESTIONNAIRE

Name of Pension Scheme Vortex Designs H 56153
Standard Life Trustee Co Ltd +
Michael Richard Tozer as Trustees.

Name of Principal Employer Vortex Designs Ltd

Serving Address for Pension Correspondence
1 Marlborough Park
Southdown Rd
Harpenden
Herts AL5 3EU

Telephone Number 01582.467690

Contact Name Michael Tozer

Email Address mttozer@vortexdesign.co.uk

Name of Member	National Insurance Number	Date of Birth
Michael Richard TOZER	NB 605719 B	11/10/1954

Accountant's Details

Name of Accountant

D Duffy

Email Address

djduffy@talktalk.net

Telephone Number

07712 654 819

Financial Advisor's Details

Name of Financial Advisor

St James Place

Email Address

David.Bilantze@SJPP.co.uk

Telephone Number

07973 150038

Scheme Details

Government Gateway User ID
Number

Not available

Password

" "

Pensions Regulator Number

" " Only one member.

Pensions Regulator Exchange
Key Code

" "

Data Protection Registration
Number

" "



Pension
Practitioner.com

Tel: 0800 634 4862
Fax: 020 8711 2522
Email: info@pensionpractitioner.com

**When returning this form we
require the following:**

A copy of the current Trust Deed
and Rules

Most recent scheme accounts

**We consent to the persons and companies named on this form to provide to Pension
Practitioner .Com such information as is reasonably necessary in connection with this
scheme.**

Signed 
Name M R Tozer

Date 29/06/2012

Signed _____
Name _____

Date _____

Standard Life Administration Unit
Rowanmoor Pensions
Rowanmoor House,
46-50 Castle Street,
Salisbury,
SP1 3TS

Att Andrew Tiley

26/06/2012

Dear Sirs,

Ref H 56153 SSAS



I have decided to move the SSAS H56153 to another administrator:

Pension Practitioner.com

Daws House

33-35 Daws Lane

London

NW7 4SD

UK Reg Co No: 6028668

VAT Reg No: 894312018

HMRC Practitioner Reg: 00005886

Kindly accept this termination notification of one months notice.

Would you be as kind as to inform me of the process for terminating the service with Standard Life and transferring to the above administrator?

Can you also provide me with a copy of the current Trust Deed and Rules and a copy of any Amendment Deeds.

Yours Sincerely

Michael R Tozer

Vortex Designs Ltd

This document contains the General
Rules of the Standard Life Small
Self-administered Pension Scheme

SMALL SELF-ADMINISTERED PENSION SCHEME

GENERAL RULES

of

VORTEX DESIGNS SSAS

The following Rules numbered 1A to 12C inclusive are the General Rules referred to in the Trust Deed governing the Scheme.

By or on behalf of the Principal Employer.....

By or on behalf of the Managing Trustees.....

By or on behalf of the Pensioner Trustee.....

Date 27th July ~~August~~ 2001.

Contents

1A	Definitions	1
1B	Interpretation	4
1C	Calculation of earnings	5
2A	Membership	5
2B	Non-member beneficiaries	5
3A	Contributions by Employers	6
3B	Contributions by Members	7
3C	Voluntary Contributions by Members	7
3D	Limit on employee's contributions	9
3E	Option to stop contributions	9
4A	Lump sum on death in Service	10
4B	Dependant's pension on death in Service	10
4C	Children's pension on death in Service	11
5A	Termination of Pensionable Service before Normal Retirement Date	11
5B	Death after termination of Pensionable Service but before retirement	13
5C	Alternative benefits option	13
6A	Pension on retirement at Normal Retirement Date	13
6B	Pension on retirement before Normal Retirement Date	14
6C	Pension on retirement after Normal Retirement Date	14
6D	Member's option to take a cash sum on pension falling due (or at Normal Retirement Date)	15
6E	Member's option to provide Dependant's pension	15
7A	Widow's (or other Dependant's) pension on death after retirement	16
7B	Children's pension on death after retirement	17
7C	Other death benefits	18
8A	Transfer of assets to the Scheme	18
8B	Transfer of assets from the Scheme	20
8C	Alternative methods of securing benefits	21
8D	Option to have a cash equivalent applied	22
9A	Provisions affecting pensions payable	22
9B	Automatic adjustments in pensions payable	23
10A	Benefit Limits applicable to a Group A Member	24
10B	Benefit Limits applicable to a Group B Member or Group C Member	25
10C	Final Remuneration and other definitions for Rules 10A and 10B	28
11	Miscellaneous provisions	31
12A	Employer ceasing to contribute	33
12B	Employer ceasing to participate	34
12C	Termination of Trusts	35

1A. Definitions

In the Rules unless the context otherwise requires -

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

"Actuary" means the Actuary of the Scheme appointed in accordance with the Trust Deed.

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

"Associated Employer" means in relation to an employer another employer which is associated with that employer by virtue of one being controlled by the other or both being controlled by a third party; and for the purpose of this definition control has the same meaning as in section 840 of the Act or, in the case of a close company, section 416 of the Act.

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

"Assured Lump Sum" means in respect of a Member the amount, if any, of the lump sum benefit payable on his death which is not payable out of the Member's Interest and is or is to be secured by a term assurance contract with an Insurer because the Member's Interest is in the opinion of the Actuary insufficient to enable the Intended Death Benefits to be provided.

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

- (a) there is a period during which the Member has been the employee of two Associated Employers;
- (b) that period counts under both schemes as a period in respect of which benefits are payable; and
- (c) the period counts under one scheme by virtue of service with one employer and under the other by virtue of service with the other employer.

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

"Dependant" means in relation to any person anyone who is or who immediately before the person's death or retirement was wholly or partly dependent on him for the ordinary necessities of life but includes (whether or not so dependent) the person's wife, husband, widow, or widower and any child of the person for so long as that child is under the age of eighteen years or still receiving full time education or vocational training; and for the purpose of this definition a relationship acquired by process of legal adoption shall be as valid as a blood relationship.

"Dependant's Assured Annuity" means in respect of a Member the amount per annum, if any, of a pension benefit payable on his death to a Dependant (who is not a Dependent Child) which is not payable out of the Member's Interest and is or is to be secured by a term assurance contract with an Insurer because the Member's Interest is in the opinion of the Actuary insufficient to enable the Intended Death Benefits to be provided.

"Dependent Children" means in relation to any person such of that person's children, adopted children and step children, and the children, adopted children and step children of his spouse as are his Dependants, but includes any child who has attained the age of eighteen years only for so long as that child is still receiving full time education or vocational training.

"Dependent Children's Assured Annuity" means in respect of a Member the amount per annum, if any, of a pension benefit payable on his death to the Dependent Children which is not to be payable out of the Member's Interest and is or is to be secured by a term assurance contract with an Insurer because the Member's Interest is in the opinion of the Actuary insufficient to enable the Intended Death Benefits to be provided.

"Employer" means in relation to any person employed by one or more of the Participating Employers that one or more of them by which that person is employed and in relation to any person no longer employed by any of the Participating Employers that one or more of them by which he was last employed.

"Final Remuneration" has the meaning given to it in Rule 10C.

"Fund" means the fund for the time being held by the Trustees for the purposes of the Scheme.

"Group A Member" means any Member who is not a Group B Member nor a Group C Member.

"Group B Member" means any Member who became a Member on or after 17th March 1987 and before 1st June 1989 if the Scheme commenced before 14th March 1989 or whom the Board of Inland Revenue has agreed in writing to be a Group B Member by virtue of previous membership of a Relevant Scheme and, in either case, who has not opted to become a Group A Member.

"Group C Member" means any Member who became a Member before 17th March 1987 or who became a Member subsequently and whom the Board of Inland Revenue have agreed in writing to be a Group C Member by virtue of previous membership of a Relevant Scheme and, in either case, has not opted to become a Group A Member.

"Incapacity" means suffering from physical or mental deterioration which is bad enough to prevent a Member from following his normal occupation or which has seriously impaired his earning capacity.

"Index" means the Government's Index of Retail Prices.

"Insurer" means an insurance company which is authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on ordinary long-term insurance business as defined in that Act or an EC company as defined in section 2(6) of the Insurance Companies Act 1982 which satisfies the requirements of section 659B of the Act.

"Intended Death Benefits" means the benefits which the Employer intends to be paid in the event of the Member dying in the Service before his Normal Retirement Date, that is to say -

- (a) a lump sum payable in accordance with Rule 4A;
- (b) a pension payable to the Member's widow (or other named Dependant) or Dependent Children in accordance with Rule 4B or Rule 4C;

of the amount or amounts which have been notified in writing to the Member by the Trustees.

"Intended Retirement Benefits" means the retirement benefits which the Employer intends to provide for the Member, that is to say -

- (a) a pension payable to the Member on his retirement at his Normal Retirement Date;
- (b) a payment to be made on the Member's death calculated by reference to a number of unpaid instalments of his pension;

and, if the Employer so decides, any one or more of -

- (c) a pension payable to the Member's widow (or other named Dependant) or Dependent Children on the Member's death after retirement at his Normal Retirement Date; and
- (d) subsequent increases in one or more of those pensions while in the course of payment;

all of the amount or amounts which have been notified in writing to the Member by the Trustees to be determined by the Actuary having regard to the Member's Interest and the future contributions which the Employer intends shall be paid in respect of the Member.

"Member" means a person who has become a member of the Scheme in accordance with the Rules and who is neither a person who has ceased to be a member of the Scheme under any of its provisions nor a person in respect of whom all the liabilities of the Trustees to pay or provide benefits have come to an end.

"Member's Interest" means the value as determined by the Actuary of that part of the Fund (excluding the Assured Lump Sum, Dependant's Assured Annuity or Dependent Children's Assured Annuity) which is attributable to the contributions paid for and by the Member other than voluntary contributions paid under Rule 3C.

"Normal Retirement Date" in relation to a Member means the date stated to be his Normal Retirement Date in his application for membership or such new date as the Trustees may agree with the Employer and the Member but if -

- (a) on such new date the Member would be outwith the range of sixty years to seventy five years of age; or
- (b) the Member is a Group B Member or a Group C Member and the agreement is not made more than five years before such new date;

the Trustees shall first obtain the prior written consent of the Board of Inland Revenue.

"Participating Employers" means the Principal Employer and every other employer which is permitted to participate in the Scheme by virtue of the provisions of the Trust Deed and has executed the appropriate deed or other instrument but does not include any employer which has ceased to participate save in respect of the time before it ceased to participate.

"Pensionable Service" shall have the meaning ascribed to it by section 70 of the Pension Schemes Act 1993.

"Permitted Maximum" shall have the meaning ascribed to it by section 590C(2) of the Act.

"Related Scheme" means in relation to a Participating Employer any retirement benefits scheme approved or being considered for approval under Chapter I of Part XIV of the Act which provides benefits for a Member or his Dependents in respect of his Service.

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

"Relevant Scheme" means any scheme (other than the Scheme) approved or seeking approval under Chapter I of Part XIV of the Act and in respect of a Group A Member who is a Controlling Director it also means any retirement annuity contract or trust scheme approved under Chapter III of Part XIV of the Act or any personal pension scheme as approved under Chapter IV of Part XIV of the Act insofar as it provides benefits secured by contributions in respect of Service.

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

- (a) retirement benefit schemes approved or seeking approval under Chapter I of Part XIV of the Act or relevant statutory schemes as defined in section 611A of the Act,
- (b) funds to which section 608 of the Act applies,
- (c) retirement benefit schemes which have been accepted by the Board of Inland Revenue as "corresponding" in respect of a claim made on behalf of the Member for the purposes of section 596(2)(b) of the Act,
- (d) retirement annuity contracts approved under Chapter III of Part XIV of the Act,
- (e) personal pension schemes approved under Chapter IV of Part XIV of the Act,
- (f) transfer payments from overseas schemes held in a type of arrangement defined in (a), (d) or (e) above

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

"Service" means continuous service with the Employer:

Provided that for the purposes of the definitions of "Associated Scheme" and "Relevant Scheme" in this Rule, paragraph (b) of section (3) of Rule 8A, Rule 10A, Rule 10B, Rule 10C and section (7) of Rule 11, "Service" has the meaning given to it in Rule 10C.

"Trust Deed" means the deed by which the Scheme was established together with any deeds or other instruments supplemental thereto; and the words and expressions which are defined in the Trust Deed shall have the meanings thereby given to them.

1B. Interpretation

In the Rules unless the context otherwise requires -

- (1) Words importing the masculine gender shall include females and the words "wife" and "widow" shall include a husband and widower respectively.
- (2) Words in the singular shall include the plural and words in the plural shall include the singular.
- (3) Any reference to an employee or person employed by or in the employ or service of a Participating Employer shall be construed as a reference to a person who is or has been in the Service and as including a director of that Participating Employer.
- (4) Any reference to any enactment shall be construed as a reference to that enactment as amended or re-enacted and to any regulations made thereunder for the time being in force and to any corresponding provisions in force in Northern Ireland.
- (5) Any reference to a Member in Rule 10A shall be construed as a reference to a Group A Member and any reference to a Member in Rule 10B shall be construed as a reference to a Group B Member or Group C Member as is appropriate.

1C. Calculation of earnings

In determining the emoluments to be used for any purpose of the Scheme -

- (a) the Trustees shall ignore all emoluments which are not treated for tax purposes as emoluments from an office or employment and all emoluments to which a Member is not beneficially entitled and, except for the purposes of Rules 10A, 10B and 10C or unless the Employer otherwise directs, all emoluments which are treated for tax purposes as emoluments from an office or employment but which are not monetary; and
- (b) the Trustees shall also ignore any amounts which arise from the acquisition or disposal of shares or an interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 148 of the Act except for the purposes of Rules 10A, 10B and 10C; and
- (c) if the emoluments which are to be averaged over a period of at least three years have not been received for such a period, the Trustees shall take the yearly average over the period for which they have been received.

2A. Membership

- (1) There shall be eligible to become a member of the Scheme any person who -
 - (a) is or has been in receipt of emoluments which are or were treated for tax purposes as emoluments to which he is beneficially entitled and are from an office or employment with one or more of the Participating Employers; and
 - (b) is invited by the Principal Employer to become a member of the Scheme.
- (2) Each eligible person who wishes to become a member of the Scheme shall complete an application in a form to be prescribed by the Trustees, in which he shall undertake to comply with and be bound by the Rules and state the date at which he wishes to become a Member and his Normal Retirement Date.
- (3) The Trustees shall not without the prior written consent of the Board of Inland Revenue accept in respect of any person an application for membership in which the date stated to be the person's Normal Retirement Date is earlier than the sixtieth anniversary of his birth or later than the seventy fifth anniversary of his birth; nor shall the Trustees accept any application in which the said date is earlier than the date at which the person's membership is to commence.
- (4) Each person who has made an application in due form which has been accepted by the Trustees shall become a Member as from the date stated in the application and shall be given -
 - (a) a certificate of membership,
 - (b) a notice stating the benefits (including the Intended Retirement Benefits and Intended Death Benefits) which the Employer intends to provide for him and his Dependants under the Scheme, and
 - (c) a notice of the essential features of the Scheme.

2B. Non-member beneficiaries

- (1) Subject to the following provisions of this Rule the Trustees may provide benefits for or in respect of any person who is or has been in the Service but who is not a Member and may also provide benefits for or in respect of any person who is entitled to benefits under another Related Scheme.

- (2) Where any benefit is to be provided for any person described in section (1) of this Rule the Trustees shall agree with the Principal Employer the circumstances in which the benefit is to be payable, the amount of the benefit, and the terms and conditions on which the benefit is to be paid, but no benefit shall be provided under this section without the prior consent of the Board of Inland Revenue.
- (3) Where a benefit is provided under this Rule the Trustees shall inform the beneficiary in writing of the benefit being provided and the terms and conditions on which it will be payable, but if they inform a person of the benefits payable in the event of his death they need not also inform the beneficiaries.

3A. Contributions by Employers

- (1) Subject to Rule 3E and Rule 12A the Participating Employers shall pay such contributions in respect of each Member as are in the opinion of the Trustees required in addition to the Member's contributions under section (1) of Rule 3B to provide the Member's Intended Retirement Benefits and his Assured Lump Sum, Dependents' Assured Annuities and Dependent Children's Assured Annuities; and for this purpose the Trustees shall rely upon the advice of the Actuary or, in respect of benefits which have to be secured with an Insurer, upon quotations furnished to them by the Insurer.
- (2) Subject to section (4) of this Rule and if the Trustees consent, the Employer may make an additional contribution or contributions in order to provide benefits for or in respect of a Member but not so that Approval will thereby be prejudiced.
- (3) In the event of there being a surplus in the Fund which has not arisen from the payment of additional voluntary contributions the Trustees may, subject to section (5) of this Rule and if the Principal Employer consents, apply the surplus either-
 - (a) to provide greater benefits for or in respect of a Member but not so that Approval will thereby be prejudiced, or
 - (b) to reduce the contributions of the Participating Employers and the Members in any way which the Actuary advises will reduce the surplus to ensure that Approval will not thereby be prejudiced,
 or they may deal with the surplus partly in one way and partly in the other; and to the extent that they do not apply the surplus as aforesaid the Trustees shall after deduction of any tax for which the Employer is liable under section 601 of the Act, repay the surplus to the Employer to the extent permitted by the Board of the Inland Revenue.
- (4) In order to ensure that the limits imposed by Rule 10A or Rule 10B will not be exceeded the trustees shall examine each Member's Interest -
 - (a) at intervals not exceeding three years;
 - (b) whenever an adjustment to the Member's Intended Retirement Benefits is proposed; and
 - (c) at the Member's Normal Retirement Date.
- (5) Where a person has already received a benefit under the Scheme in the form of a cash sum no contribution shall be paid under section (2) of this Rule or surplus applied under section (3) of this Rule for his benefit unless the benefits to be provided thereby are payable in the form of pension.

- (6) Where a benefit is provided under section (2) or section (3) of this Rule on or before the Member's retirement or death, whichever is the earlier, the Trustees shall, if possible, inform the Member by issuing a fresh notice of the benefits which the Employer intends to provide for him and his Dependants under the Scheme, but otherwise they shall inform the beneficiary in writing of the benefit being provided and the terms and conditions on which it will be payable, but if they inform a Member of the benefits payable in the event of his death they need not also inform the beneficiaries and where a benefit is provided under section (2) or section (3) of this Rule after the Member's retirement or death, whichever is the earlier, it shall be additional to any other benefits provided for the beneficiary under the Scheme.

3B. Contributions by Members

- (1) Subject to Rule 3D, where it is a condition of his membership that a Member is required to pay contributions, the Member shall pay contributions at the rate notified by the Trustees in writing to him; and, without the prior agreement of the Board of Inland Revenue, no rate determined under this section may be altered before the expiry of a period of twelve months from the date on which the first payment at that rate became due.
- (2) Subject to section (2) of Rule 3D, the Trustees shall not accept contributions payable by the member by virtue of section (1) of this Rule which cause the total of such contributions payable by the Member to exceed nine times the total contributions payable by the Employer by virtue of section (1) of Rule 3A.
- (3) Subject to Rules 3E and 12A, the contributions which a Member is required to pay by virtue of section (1) of this Rule shall be payable at regular intervals in the period commencing with the date he becomes a Member and ending not later than the earliest of -
- (a) the day he ceases to be in Service (by reason of his death or otherwise);
 - (b) his Normal Retirement Date;
 - (c) the day on which contributions are terminated in accordance with Rule 12B.
- (4) If in the opinion of the Actuary it appears likely that a Member's benefits may have to be restricted to be within the limits imposed by Rule 10A and Rule 10B, the Trustees may reduce his future contributions to such extent as seems to them on the advice of the Actuary to be equitable.
- (5) A Member's contributions shall be deducted by the Employer so far as possible by weekly or monthly instalments from the payments of his remuneration and shall be paid forthwith to the Trustees.

3C. Voluntary contributions by Members

- (1) Subject to Rules 3D, 3E and 12A, and if the conditions set out in section (2) of this Rule are fulfilled, a Member may pay voluntary contributions in excess of any contributions payable by him by virtue of section (1) of Rule 3B in the period commencing with the date he becomes a Member and ending not later than the earliest of -
- (a) the day he ceases to be in Service (by reason of death or otherwise);
 - (b) his Normal Retirement Date;
 - (c) the day on which contributions are terminated in accordance with Rule 12B.
- (2) The conditions referred to in section (1) of this Rule are -
- (a) the Member shall give twelve months notice to the Trustees, or such lesser period as is acceptable to them, of his intention to pay a voluntary contribution or pay voluntary contributions at a specified rate or to vary that rate; and

- (b) in any year commencing on a 6th April and ending on a 5th April, a Member's total voluntary contributions shall not be less than the minimum prescribed in regulation 2 of the Pension Schemes (Voluntary Contributions Requirements and Voluntary Compulsory Membership) Regulations 1987 or, if it is less, the minimum annual premium acceptable under the policy or policies referred to in section (5) of this Rule.
- (3) The benefits to be provided in return for a Member's voluntary contributions shall be arranged by the Trustees with the Member and shall be additional to any other benefits provided for the beneficiary under the Scheme but no such benefit shall be provided for which there is no limit imposed by Rule 10A or Rule 10B or which is prohibited by section (7) of this Rule nor shall any such benefit be so great as to cause any limit imposed by Rule 10A or Rule 10B to be exceeded.
- (4) Where a Member's voluntary contributions are applied to provide retirement benefits, the benefits shall be of such amounts as are in the opinion of the Actuary equivalent, on a money purchase basis, to the voluntary contributions so applied; and, subject to section (7) of this Rule, where a pension is secured by the application of voluntary contributions as premiums of a policy with an Insurer, the rate at which it may be converted into a lump sum shall be determined by an actuary employed by the Insurer.
- (5) Where voluntary contributions are applied as the premiums of a policy with an Insurer, in the event of the Member's death or the termination of his Pensionable Service the benefits to be paid by the Trustees referable to those contributions shall be restricted in kind and amount to the benefits payable by the Insurer in that event as the result of the payment of those premiums.
- (6) If the Trustees are not satisfied that the value of the benefits provided for the Member in respect of his voluntary contributions compares reasonably with the amounts so contributed by him under the Scheme, the benefits provided under this Rule shall be increased by such amount as will ensure that the Trustees are so satisfied.
- (7) Where a Member commences to pay voluntary contributions after 7th April 1987, the additional benefits so secured must be in the form of non-commutable pension except to the extent to which the provisions of the Scheme allow commutation of trivial pension or on the grounds of serious ill health.
- (8) A Member's voluntary contributions shall be deducted by the Employer as far as possible from the payments of his remuneration and shall be paid forthwith to the Trustees.
- (9) Any provisions permitting the Member to make voluntary contributions to secure additional benefits for himself and/or his Dependents shall (notwithstanding anything in them to the contrary) comply with the provisions of Part III of Schedule 6 to the Finance Act 1989 concerning the return of surplus funds.
- (10) Where the Member is a member of a free-standing additional voluntary contribution scheme (as described in section 591(2)(h) of the Act) which provides benefits in respect of his Service, the Trustees shall comply with the provisions of any regulations made under section 591 of the Act on the provision of information to such schemes and on the repayment of surplus voluntary contributions.
- (11) Where the Member's Aggregate Retirement Benefit is restricted to satisfy the limits imposed by the Board of Inland Revenue and the Member has paid voluntary contributions to supplement benefits under the Scheme, that restriction shall first be effected on those supplementary benefits so as to permit the repayment of the surplus additional voluntary contributions subject to section 599A of the Act; and for the purpose of this section "Aggregate Retirement Benefit" has the meaning given to it in Rule 10C.

3D. Limit on employee's contributions

- (1) The total contributions paid by a Member in a year of assessment shall not exceed the limits imposed by section (2) of this Rule and if to conform with this restriction it is necessary for the Member's contributions to be reduced (or part of them to be repaid) the Member shall reduce his voluntary contributions first, whether they are payable (or have been paid) under Rule 3C or under another scheme.
- (2) Subject to section (4) of this Rule in any year of assessment the total contributions paid by a Group A Member under the Scheme shall not exceed either -
 - (a) when aggregated with the Member's contributions to any scheme approved or seeking approval under Chapter I of Part XIV of the Act, 15% of his Remuneration for that year; or
 - (b) when aggregated with the Member's contributions to any schemes which are Associated Schemes or Connected Schemes, 15% of the Permitted Maximum.
- (3) Subject to section (4) of this Rule in any year of assessment the total contributions paid by a Group B Member or Group C Member, when aggregated with the Member's contributions to any Associated Scheme, shall not exceed 15% of his Remuneration for that year.
- (4) For the purpose of section (2) and section (3) of this Rule the word "Service" has the meaning given to it in Rule 10C and the word "Remuneration" in relation to any year means the aggregate of the total emoluments for the year in question from the Employer and which are assessable to Income Tax under Schedule E but excluding any amounts which arise from the acquisition or disposal of shares or any interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of section 148 of the Act; so however that in arriving at such emoluments for a Group A Member there shall be disregarded any emoluments in excess of the Permitted Maximum.

3E. Option to stop contributions

- (1) While in the Service a Member may give notice to the Employer that he wishes no further contributions to be paid into the Scheme in respect of him.
- (2) Any such notice shall be given in writing and shall specify the last date on which contributions are to be due but that date shall not be earlier than the date at which the notice is delivered to the Employer.
- (3) An Employer who has been given such a notice from a Member shall inform the Trustees forthwith of -
 - (a) the last date on which a contribution to provide the Member's Intended Retirement Benefits is to be paid; and
 - (b) the contributions (if any) that are to be paid in respect of that Member to provide an Assured Lump Sum, Dependents' Assured Annuities and Dependent Children's Assured Annuities or the amounts (if any) of such benefits;and the Trustees shall inform the Member of any benefits that are to be payable on his death.
- (4) Where a Member has given notice in accordance with this Rule before the Member retires no additional contribution shall be paid under section (2) of Rule 3A without the consent of the Board of Inland Revenue.

4A. Lump sum on death in Service

- (1) If a Member dies in the Service before his Normal Retirement Date, there shall be payable a lump sum death benefit of the amount specified in section (2) of this Rule.
- (2) Subject to Rule 10A and Rule 10B, the amount of the lump sum death benefit referred to in section (1) of this Rule shall be the sum of -
 - (a) the Assured Lump Sum, if any; and
 - (b) the amount, if any, which the Trustees, acting on the advice of the Actuary having regard to the Member's Interest, determine is to be payable as a lump sum.
- (3) Subject to sections (5) and (6) of this Rule any death benefit payable under this Rule shall be paid by the Trustees to or applied by the Trustees for the benefit of such one or more of the persons specified in section (4) of this Rule and in such proportions as the Employer having absolute discretion may within six months of the Member's death in writing direct and subject to any such direction and in so far as any such direction does not deal with the whole of any death benefit payable or in default of any such direction shall be paid by the Trustees to the Member's legal personal representatives.
- (4) The persons referred to in section (3) of this Rule shall be the Member's spouse, the Member's grandparents, the Member's spouse's grandparents, all descendants of the said grandparents, any individual who in the opinion of the Employer was immediately prior to the Member's death either in receipt of any regular weekly or monthly voluntary payment from the Member or wholly or partly dependent on the Member for the ordinary necessities of life, and the Member's legal personal representatives; and for the purposes of this section a relationship acquired by process of legal adoption shall be as valid as a blood relationship.
- (5) Any death benefit payable under this Rule -
 - (a) in respect of a Member who is a Controlling Director and dies on or after the seventy fifth anniversary of his birth; or
 - (b) which exceeds £2,500 and is in respect of a Member to whom section (3) of Rule 6C applies and who has taken a cash lump sum by virtue of Rule 6D;shall be paid by the Trustees to or applied for the benefit of the Member's widow and in the event of the Member not being survived by his widow shall be paid by the Trustees to the Member's legal personal representatives.
- (6) Any death benefit payable under this Rule shall be paid by the Trustees as soon as they receive a competent direction or, where payment is to be made to the Member's legal personal representatives, as soon as the legal personal representatives exhibit proof of their title; but if by the second anniversary of the Member's death the Trustees have been unable to pay the whole of the said benefit in accordance with this Rule, they may decide to hold the unpaid benefit in a separate account outside the Scheme failing which the unpaid benefit shall not be payable but shall be retained by them and used for the general purposes of the Scheme.

4B. Dependant's pension on death in Service

- (1) If a Member dies in the Service before his Normal Retirement Date and is survived by a Dependant, there shall be payable to that Dependant a pension of the amount specified in section (2) of this Rule:

Provided that a Dependant who is also one of the Member's Dependent Children shall not be treated as a Dependant for the purposes of this Rule unless the Trustees are satisfied that he suffers from a disability which makes it unlikely that he will ever be able to maintain himself.

- (2) Subject to Rule 10A and Rule 10B the amount per annum of the Dependant's pension referred to in section (1) of this Rule shall be the sum of -
 - (a) the Dependant's Assured Annuity, if any; and
 - (b) the amount, if any, which the Trustees, acting on the advice of the Actuary having regard to the Member's Interest after the application of Rule 4A, determine is to be provided for that Dependant.
- (3) Any pension payable to a Dependant under this Rule shall be payable for the period commencing with the day the Member dies and ending with the day the Dependant dies.

4C. Children's pension on death in Service

- (1) If a Member dies in the Service before his Normal Retirement Date, there shall be payable to or for the benefit of his Dependent Children in equal shares a pension equal to the sum of the amounts of the pensions provided for his Dependent Children, the amount of pension provided for any one child being determined in accordance with section (2) of this Rule.
- (2) Subject to Rule 10A and Rule 10B the amount per annum of the pension provided for any one child shall be the sum of -
 - (a) the Dependent Children's Assured Annuity, if any; and
 - (b) the amount, if any, which the Trustees, acting on the advice of the Actuary having regard to the Member's Interest after the application of Rule 4A and Rule 4B, determine is to be provided for that child.
- (3) Any pension payable to a Dependent Child under this Rule shall be payable for the period commencing with the day the Member dies and ending with the earlier of -
 - (a) the day the child attains the age of 18 years or such older age as the Trustees have notified the Member or the child in writing; and
 - (b) the day on which he ceases to be a Dependent Child.

5A. Termination of Pensionable Service before Normal Retirement Date

- (1) This Rule applies to a Member who before his Normal Retirement Date ceases to be in Pensionable Service for any reason except his death and in respect of whom retirement benefits are not payable immediately under Rule 6B; and where the Trustees have accepted a transfer of assets in respect of the Member from another retirement benefits scheme the provisions of this Rule shall be subject to the provisions of Rule 8A.
- (2) Subject to the provisions of this Rule and of such other Rules as contain provisions affecting his entitlement to benefit, there shall be payable to a Member to whom this Rule applies a pension of the amount per annum specified in section (2) of Rule 6A payable for the period specified in section (3) of Rule 6A and on his survival to Normal Retirement Date he shall be deemed to retire at that date:

Provided that, where a Group A Member remains in Service after his Normal Retirement Date, no retirement benefits shall be payable to him before he retires from the Service or until the day before the seventy-fifth anniversary of his birth, whichever happens first; and the provisions of the Rules regarding retirement after Normal Retirement Date shall be deemed to apply to the benefits payable to such a Member in the same manner as they apply to benefits payable to a Member retiring from the Service.

- (3) Where under this Rule benefits are to become payable to a Member at his Normal Retirement Date, if at any time before that date he intimates to the Trustees in writing that he wishes all his benefits to be paid on an earlier date, the provisions of the Rules regarding retirement before Normal Retirement Date shall be deemed to apply to the benefits payable under this Rule in the same manner as they apply to benefits payable to a Member retiring from the Service:

Provided that a Member's benefits shall not be paid -

- (i) before his Normal Retirement Date if his Service has not terminated; and
 - (ii) before the fiftieth anniversary of his birth except on account of Incapacity.
- (4) Where under this Rule benefits are to become payable to a Member at his Normal Retirement Date, if at any time before that date he intimates to the Trustees in writing that he wishes all his benefits to be deferred, the provisions of the Rules regarding retirement after Normal Retirement Date shall be deemed to apply to the benefits payable under this Rule in the same manner as they apply to benefits payable to a Member retiring from the Service but not so that a cash sum shall be payable to a Member before any pension becomes payable:

Provided that -

- (i) the benefits of a Group A Member shall be deferred no later than the day before the seventy fifth anniversary of his birth; and
 - (ii) the benefits of a Group B Member or Group C Member shall be deferred no later than the earlier of the day before the seventy fifth anniversary of his birth and the day he finally retires from his normal daily occupation.
- (5) Where at the date his Pensionable Service terminates a Member -
- (a) has not been in service with the Participating Employers in respect of which contributions for retirement benefits have been payable under the Scheme for one or more periods totalling at least two years; and
 - (b) has paid contributions to secure retirement benefits; and
 - (c) is not a Member in respect of whom assets have been transferred into the Scheme from a personal pension scheme as defined in section 1 of the Pension Schemes Act 1993;

if he notifies the Trustees in writing within thirty days after that date that he wishes to take a refund of the contributions paid by him, those contributions shall be repaid to him together with interest (but not so that the sum paid exceeds the Member's Interest) and he shall thereupon cease to be a Member.

- (6) In reckoning periods of service for the purposes of section (5) of this Rule the Trustees shall deem the following service to be service during which contributions for retirement benefits have been payable under the Scheme -

- (a) where the Trustees have accepted a transfer of assets representing the interest of the Member in or derived from another retirement benefits scheme, the actual service which counted for retirement benefits under that scheme; and
- (b) where between any two periods of the Member's Pensionable Service there is a break (not exceeding one month or because of pregnancy or confinement or a trade dispute) which is required by regulations made under Chapter I of Part IV of the Pension Schemes Act 1993 to be disregarded in determining the length of 'qualifying service' for the purposes of section 71 of that Act, the earlier period to the extent that it would have been service counting for retirement benefits under the Scheme had the member been in the Service, but not in Pensionable Service, during the break.

5B. Death after termination of Service but before retirement

In the event of a Member to whom Rule 5A applies, and who has left the Service, dying before his Normal Retirement Date and before the first instalment of his pension falls due, the Trustees shall provide the benefits under Rules 4A, 4B and 4C which would have been provided having regard to the Member's Interest if he had died in the Service.

5C. Alternative benefits option

- (1) Where a Member ceases to be in Pensionable Service without ceasing to be a Member and before he retires he has so requested in writing, the Trustees may apply a sum equal to the value of the prescribed benefits of the Member and his Dependants towards the provision of alternative benefits on a money purchase basis and, if the Trustees do so, the Member and his Dependants shall cease to have a right to the prescribed benefits; and for this purpose the expression "prescribed benefits" means all the benefits to which the Member and his Dependants have rights (including rights subject to a contingency) under the other provisions of the Scheme.
- (2) The provision of benefits in accordance with section (1) of this Rule shall be on the footing that the benefits ultimately payable will be determined by the terms of an insurance policy or annuity contract effected by the Trustees to which the sum allocated for this purpose has been applied and which may be with an Insurer of the Member's choice:

Provided that -
 - (i) no such benefit shall be provided unless it is a relevant benefit as defined in section 612(1) of the Act;
 - (ii) no such benefit shall be so great as to cause any limit in Rule 10A or Rule 10B to be exceeded; and
 - (iii) any lump sum death benefit payable under the Scheme as a result of the exercise of the option under this Rule shall be paid in accordance with the provisions governing the payment of death benefits payable under Rule 4A.
- (3) Except to the extent provided in Rule 12B, nothing in this Rule shall affect the operation of Rule 12B.

6A. Pension on retirement at Normal Retirement Date

- (1) On the retirement of a Member from the Service at his Normal Retirement Date there shall be payable to him a pension of the amount specified in section (2) of this Rule.
- (2) Subject to Rule 10A and Rule 10B and to such other Rules as contain provisions affecting the Member's entitlement to benefit the amount per annum of the pension referred to in section (1) of this Rule shall be determined by the Trustees on the advice of the Actuary, having regard to the Member's Interest and the benefits which are to be provided for the Member's Dependants.
- (3) Any pension payable to a Member under this Rule shall be payable for the period commencing with his Normal Retirement Date and ending with the day he dies.

6B. Pension on retirement before Normal Retirement Date

- (1) This Rule applies to a Member who -
 - (a) retires from the Service with the consent of the Employer before Normal Retirement Date but on or after the fiftieth anniversary of his birth; or
 - (b) retires from the Service at any time before Normal Retirement Date on account of Incapacity.
- (2) If before he retires the Member has informed the Trustees in writing that he wishes his retirement benefits to become payable on his retirement, there shall be payable to him on his retirement a pension of the amount specified in section (3) of this Rule.
- (3) Subject to Rule 10A and Rule 10B and to such other Rules as contain provisions affecting the Member's entitlement to benefit the amount per annum of the pension referred to in section (2) of this Rule shall be determined by the Trustees on the advice of the Actuary, having regard to the Member's Interest and the benefits which are to be provided for the Member's Dependants.
- (4) Any pension payable to a Member under this Rule shall be payable for the period commencing with the day after he retires and ending with the day he dies.

6C. Pension on retirement after Normal Retirement Date

- (1) Where by arrangement with the Employer a Member is to remain in the Service after Normal Retirement Date the following sections of this Rule shall apply.
- (2) Where a Group A Member remains in the Service after his Normal Retirement Date, no pension shall be payable to him before he retires or until the day before the seventy fifth anniversary of his birth, whichever happens first, and then a pension of the amount specified in section (5) of this Rule shall be payable.
- (3) Where a Group B Member or a Group C Member remains in the Service after his Normal Retirement Date, if at any time before that date he intimates to the Trustees in writing that he wishes the payment of his pension to be deferred until he retires, no pension shall be payable to him before he retires and on his retirement there shall be payable to him a pension of the amount specified in section (5) of this Rule:
Provided that -
 - (i) if the Member is a Controlling Director, unless by the day before the seventy fifth anniversary of his birth he has retired, he shall for the purposes of the Scheme be deemed to retire on that day;
 - (ii) if before the Member retires he informs the Trustees he no longer wishes the payment of his retirement benefits to be deferred, he shall be deemed for all purposes of the Scheme to have retired on a date to be determined by the Trustees but which is not more than one month after the Trustees receive that information;
 - (iii) a Member whose Normal Retirement Date is on or after the seventy fifth anniversary of his birth shall be deemed for all purposes of the Scheme to have retired on his Normal Retirement Date (whether or not he has informed the Trustees that he wishes the payment of his retirement benefits to be deferred).
- (4) If the Trustees receive no such intimation as is referred to in section (3) of this Rule, then notwithstanding that the Member is to remain in the Service after Normal Retirement Date he shall for the purposes of the Scheme be deemed to retire at Normal Retirement Date.

- (5) Subject to Rule 10A and Rule 10B and to such other Rules as contain provisions affecting the Member's entitlement to benefit the amount per annum of the pension referred to in sections (2) and (3) of this Rule shall be determined by the Trustees on the advice of the Actuary, having regard to the Member's Interest and the benefits which are to be provided for the Member's Dependants.
- (6) Any pension payable to a Member under this Rule shall be payable for the period commencing with the day after he retires and ending with the day he dies.

6D. Member's option to take a cash sum on pension falling due (or at Normal Retirement Date)

- (1) Subject to the provisions of this Rule:
 - (a) a Group A Member may on the day the first instalment of his pension falls due take a cash sum in lieu of an amount of pension under the Scheme;
 - (b) a Group B Member or a Group C Member may on his Normal Retirement Date or the day the first instalment of his pension falls due, if earlier, take a cash sum in lieu of an amount of pension under the Scheme;
 - (c) where a Group B Member or a Group C Member remains in the Service after Normal Retirement Date, if he has not taken a cash sum in lieu of pension at that date and is not deemed to have retired then, he may take a cash sum in lieu of pension on any day not later than the day the first instalment of his pension falls due.
- (2) The amount of any cash sum referred to in section (1) of this Rule may be any amount which does not exceed the limits imposed by Rule 10A and Rule 10B.
- (3) The rate at which an amount of pension is to be converted into a cash sum shall be determined by the Actuary; and any calculations made by the Actuary for this purpose shall be consistent with any other calculations made for the Member and for other purposes of the Scheme.
- (4) Where a Member exercises the option under this Rule and on the same day exercises the option under Rule 6E he shall be deemed to have exercised the option under this Rule first.

6E. Member's option to provide Dependant's pension

- (1) Subject to section (3) of this Rule and if the conditions set out in section (2) of this Rule are fulfilled, a Member may on the day the first instalment of his pension falls due surrender part of that pension in order to provide a pension for a Dependant after his death, and if a Member does so, the amount of the Dependant's pension shall be determined by the Trustees on the advice of the Actuary, having regard to the value of the pension surrendered and the age and sex of the Dependant.
- (2) The conditions referred to in section (1) of this Rule are -
 - (a) the Member must before the day on which the surrender is to be made have informed the Trustees in writing of his intention and how much of his pension he wishes to surrender and have given the name, address and date of birth of the Dependant in whose favour the surrender is to be made;
 - (b) the Trustees must be satisfied that the person named is a Dependant of the Member and have consented to the surrender, and for this purpose the word "Dependant" shall not include any person who at the date of the surrender is under the age of eighteen years or is still receiving full time education or vocational training unless that person is the Member's wife or husband or is suffering from some disability which would in the Trustees' opinion make him permanently dependent on the Member for the ordinary necessities of life were the Member to survive;

- (c) the part surrendered must not be so small that were the pension provided by it to become payable on the day the surrender is made a cash sum could be paid under section (5) of Rule 9A in lieu of the pension; and
 - (d) the amount per annum of the pension remaining payable to the Member at the date the surrender is made must not be less than the sum of the amounts per annum of the pension or pensions that would become payable to a Dependant or Dependents under this Rule.
- (3) If after the date on which the Member notifies his intention to surrender part of his pension and before the date on which the surrender is to be made the Member or the Dependant dies or the Dependant ceases to be a Dependant or if at the date on which the surrender is to be made a cash sum in lieu of pension is paid to the Member under section (7) of Rule 9A, the surrender shall be cancelled automatically.
- (4) Subject to section (3) of Rule 7C, any pension payable to a Dependant under this Rule shall be payable for the period commencing with the day after the Member dies and ending with the day the Dependant dies:

Provided that where part of the last instalment of the Member's pension relates to a period for which that pension is not payable, if the Trustees take no steps to recover that part, the period for which the Dependant's pension is payable shall not commence until one month after the day on which the last instalment of the Member's pension fell due.

7A. Widow's (or other Dependant's) pension on death after retirement (or on death on or after Normal Retirement Date)

- (1) If a Member dies on or after his Normal Retirement Date or the day the first instalment of his pension falls due, if earlier, there shall be payable to his widow a pension of the amount specified in section (2) of this Rule.
- (2) Subject to section (3) of this Rule and to Rule 10A and Rule 10B the amount per annum of the pension referred to in section (1) of this Rule shall be equal to -
 - (a) if the Member retired at or before his Normal Retirement Date, the intended proportion, if any, of the amount per annum of the Member's pension under the Scheme immediately after his retirement; or
 - (b) if the Member did not retire at or before his Normal Retirement Date, the intended proportion, if any, of the amount per annum of the pension that would have been payable under the Scheme to the Member immediately after his retirement if he had retired at his Normal Retirement Date;

and for the purposes of this section "the intended proportion" means unless the Trustees otherwise decide the same proportion as the amount of the widow's pension on the Member's death after retirement bore to the amount of the Member's pension in the notice of Intended Retirement Benefits.

- (3) For the purpose of calculating the amount of the widow's pension under this Rule -
 - (a) there shall be deemed to have been payable to the Member the pension that would have been payable to him under the Scheme if he had not exercised an option under Rule 6D or Rule 6E or received a cash sum in lieu of pension under section (5) or section (7) of Rule 9A; and

(b) if the Member's pension includes any amount calculated other than by reference to section (2) of Rule 6A or section (3) of Rule 6B, that amount shall be ignored.

- (4) Subject to section (3) of Rule 7C, any pension payable to a widow under this Rule shall be payable for the period commencing with the day after the Member dies and ending with the day the widow dies:

Provided that where part of the last instalment of the Member's pension relates to a period for which that pension is not payable, if the Trustees take no steps to recover that part, the period for which the widow's pension is payable shall not commence until one month after the day on which the last instalment of the Member's pension fell due.

- (5) Where in accordance with the notice of Intended Retirement Benefits a benefit is to be provided for a named Dependant of the Member other than his wife the Trustees shall give effect to this Rule and Rule 7B as if they referred throughout to that Dependant instead of the Member's widow.

7B. Children's pension on death after retirement (or on death on or after Normal Retirement Date)

- (1) On the death of a Member's widow following the death of the Member on or after his Normal Retirement Date or the day the first instalment of his pension fell due, if earlier, the Trustees may pay to or for the benefit of the Member's surviving Dependent Children in equal shares a pension of an amount per annum equal at the time an instalment of children's pension falls due to the amount per annum of the pension that would have been payable to the widow under the Scheme had the widow survived until then.

- (2) Subject to Rule 10A and Rule 10B, if a Member dies on or after his Normal Retirement Date or the day the first instalment of his pension falls due, if earlier, and is survived by one or more Dependent Children but not by a widow, the Trustees may pay to or for the benefit of the Dependent Children in equal shares a pension of an amount per annum equal at the time an instalment of children's pension falls due to the amount per annum of the widow's pension that would have been payable under the Scheme had the Member been survived by a widow and had the widow survived until then.

- (3) Subject to section (3) of Rule 7C, any pension payable to the Dependent Children under section (1) of this Rule shall be payable for the period commencing with the day after the widow dies and ending with the last day on which there are Dependent Children:

Provided that where part of the last instalment of the widow's pension relates to a period for which that pension is not payable, if the Trustees take no steps to recover that part, the period for which the children's pension is payable shall not commence until one month after the day on which the last instalment of the widow's pension fell due.

- (4) Subject to section (3) of Rule 7C, any pension payable to the Dependent Children under section (2) of this Rule shall be payable for the period commencing with the day after the Member dies and ending with the last day on which there are Dependent Children:

Provided that where part of the last instalment of the Member's pension relates to a period for which that pension is not payable, if the Trustees take no steps to recover that part, the period for which the children's pension is payable shall not commence until one month after the day on which the last instalment of the Member's pension fell due.

7C. Other death benefits

- (1) If a Member the first instalment of whose pension has fallen due dies before the end of a period commencing on the day the first instalment of his pension falls due, being a period of five years or, if the Member has so specified in writing to the Trustees at any time before the first instalment of the Member's pension fell due, ten years, there shall be payable in accordance with section (5) of this Rule a benefit described in either section (2) or section (3) of this Rule.
- (2) If the period specified in accordance with section (1) of this Rule is five years and the Member dies after the first instalment of his pension has fallen due and before the said period expires, there shall be payable an amount equal to the value of the unpaid instalments that would have been paid to him had he survived until the end of that period.
- (3) If the period specified in accordance with section (1) of this Rule is ten years and the Member dies after the first instalment of his pension has fallen due and before the said period expires, the pension shall continue to be paid until the end of the said period; and the first instalment of any pension payable under Rules 6E, 7A and 7B shall not fall due until one month after the last instalment of the Member's pension falls due.
- (4) Subject to Rule 10A and Rule 10B, if a Member dies on or after his Normal Retirement Date but before his pension commences, the Trustees shall pay -
 - (a) where the Member is a Group B Member or a Group C Member, a benefit in accordance with section (1) of this Rule as if the Member had retired on the day before he died; and
 - (b) a lump sum benefit as nearly as possible equal to the amounts of the benefits under Rule 4A which would have been payable if the Member had died before his Normal Retirement Date;but only to the extent of the Member's Interest after the application of Rule 7A and Rule 7B.
- (5) Any benefit payable under this Rule shall be paid in accordance with the provisions governing the payment of death benefits payable under Rule 4A or, if the Member was a Member to whom Rule 5A applied, Rule 5B, except that -
 - (a) if the Member retired before the seventy fifth anniversary of his birth, section (5) of Rule 4A shall not apply;
 - (b) if the Member is one to whom section (3) of Rule 6C applies and he has taken a cash sum by virtue of Rule 6D, section (5) of Rule 4A shall not apply to any benefit payable by virtue of paragraph (a) of section (4) of this Rule; and
 - (c) where a pension was payable to a Member as a result of the application of Rule 5A, any benefit payable under section (4) of this Rule which relates to that pension shall be held by the Trustees on trust for the purposes of this Rule for so long as the title of the payee is in doubt.

8A. Transfer of assets to the Scheme

- (1) Subject to the provisions of this Rule, where a Member has an interest in another retirement benefits scheme or a personal pension scheme or an arrangement which is approved under section 620 of the Act (hereinafter called the "Transferring Scheme") the Trustees may accept from the administrator, trustees or managers (hereinafter called the "Managers") of the Transferring Scheme a transfer of such assets as represent that interest and the interests, if any, of the Member's Dependants or such part of those assets as the Managers of the Transferring Scheme are empowered to transfer; and if the Trustees do so, they shall provide benefits for or in respect of the Member (hereinafter called the "Transfer Benefits") which shall be of such amount as shall be arranged by the Trustees on the advice of the Actuary with the Member and the Managers of the Transferring Scheme:

Provided that -

- (i) no Transfer Benefits shall be provided for which there is no limit imposed by Rule 10A or Rule 10B;
 - (ii) Transfer Benefits shall not be so provided as to cause any limits imposed by Rule 10A or Rule 10B to be exceeded;
 - (iii) where the Scheme has applied for but not received Approval, the Trustees shall not accept a transfer of assets from another scheme without the prior consent of the Board of Inland Revenue.
- (2) Where the Trustees provide Transfer Benefits of a specified amount or of an amount determined by the terms of an insurance policy or annuity contract effected by the Trustees to which the transfer payment has been applied, the Transfer Benefits shall be additional to any other benefits intended to be provided for the beneficiary under the Scheme; and where the assets transferred are applied as the premiums of such a policy or contract, in the event of the Member's death or the termination of his Pensionable Service the benefits to be paid by the Trustees referable to those assets shall be restricted in kind and amount to the benefits payable under that policy or contract in that event as the result of the payment of those premiums.
- (3) Subject to Rule 9A, where the Trustees have accepted a transfer of assets in accordance with section (1) of this Rule -
- (a) where the transfer payment is accompanied by a certificate from the Managers of the Transferring Scheme to the effect that the whole or part of the assets transferred is not to be used to provide benefits in lump sum form, no part of the benefits arising from that part of the assets transferred shall be capable of commutation or payable in lump sum form;
 - (b) in respect of a Group B Member or Group C Member, such part and such part only of the benefits arising from the assets transferred (other than assets from another scheme of the Employer providing benefits in respect of Service or from a personal pension scheme) shall be capable of commutation or payable in lump sum form as is stated as the maximum amount in a certificate obtained from the Managers of the Transferring Scheme (the amount so certified may be increased in proportion to any increase in the Index since the payment was received);
 - (c) in respect of a Group B Member or Group C Member, one quarter of the benefits arising from the assets transferred from a personal pension scheme (other than any part of the assets transferred for which a certificate as described in paragraph (a) of this section has been obtained) shall be the maximum amount capable of commutation or payable in lump sum form;
 - (d) such part and such part only of the assets transferred as is certified by the Managers of the Transferring Scheme as attributable to contributions paid by the Member to the Transferring Scheme shall be treated as a contribution paid by the Member under the Scheme;
 - (e) if at any time Rule 5A applies to the Member any rights to, and restrictions on, a refund of those contributions which would have applied on leaving pensionable service at that time under the Transferring Scheme shall apply under the Scheme (other than a restriction which the Board of Inland Revenue have announced publicly need no longer apply);

- (f) if any part of the assets transferred is derived from a retirement annuity contract approved under Chapter III of Part XIV of the Act, that part shall not be repayable to the Member in the event of his Service terminating before Normal Retirement Date; and
 - (g) the Trustees shall comply with the terms of any undertaking given by them to the Board of Inland Revenue in connection with the acceptance of such transfers.
- (4) If any benefits for or in respect of a Member derived from another retirement benefits scheme are insured with an Insurer under an insurance policy or annuity contract which does not form part of the assets of that scheme (being either the property of the Member and, if appropriate, his Dependants or a policy or contract under which the rights to benefit are enforceable against the Insurer), then at the request of the Member and subject to the Insurer certifying to the Trustees the maximum amount which can be paid out in lump sum form and providing details of the amount represented by the Member's own contributions, and any restrictions on the return of such contributions to the Member, the Trustees may accept direct from the Insurer a transfer of so much of the value of the policy or contract as the Insurer is willing to transfer in respect of the Member and, if appropriate, his Dependants; and if the Trustees do so, they shall arrange with the Member to provide benefits for or in respect of him as if the sum received were a transfer from the other retirement benefits scheme.
- (5) Where the Transferring Scheme is administered wholly or primarily outside the United Kingdom the transfer must be specifically approved by the Board of the Inland Revenue.

8B. *Transfer of assets from the Scheme*

- (1) Subject to the provisions of this Rule, if the Member so requests, the Trustees may transfer to the trustees or managers of a scheme which qualifies under section (2) of this Rule as a Receiving Scheme such part of the assets held by the Trustees for the purposes of the Scheme as represents the Member's Interest and the interests, if any, of his Dependants; and if they do so, he shall cease to be a Member.
- (2) To qualify as a Receiving Scheme for the purposes of section (1) of this Rule a scheme must be -
- (a) approved under Chapter I of Part XIV of the Act and the Member must have become a member of the Scheme;
 - (b) approved under Chapter IV of Part XIV of the Act; or
 - (c) approved for the purposes of this Rule by the Board of Inland Revenue;
- and where the transfer falls to be made to a scheme administered wholly or primarily outside the United Kingdom and the Member has left Pensionable Service, that scheme must be approved by the Occupational Pensions Board for the purposes of the transfer.
- (3) Before making a transfer in accordance with section (1) of this Rule the Trustees shall -
- (a) ascertain from the trustees or managers of the Receiving Scheme the section and Act under which it is approved by the Board of Inland Revenue;
 - (b) refer to the Board of Inland Revenue for approval of the transfer where the Trustees have given an undertaking to do so and the transfer is of the description to which the undertaking applies;
 - (c) refer to the Board of Inland Revenue for approval of the transfer where the Scheme has applied for but has not received Approval;

- (d) arrange with the Member and the trustees or managers of the Receiving Scheme the benefits which are to be provided by the Receiving Scheme as a consequence of the transfer;
 - (e) unless the transfer is to a personal pension scheme, certify to the trustees or managers of the Receiving Scheme the amount of that part of the transfer payment which is attributable to contributions paid by the Member and arrange with them that no greater part is to be treated under the Receiving Scheme as a contribution paid by the Member and that in any event no greater part of the transfer payment will be returned to the Member in his lifetime than would have been returned in the same event under the Scheme;
 - (f) provide a certificate of the maximum amount payable as a lump sum from the transfer payment where the transfer is to a personal pension scheme and the transferring Member has attained the age of forty five years or more at the time the transfer payment is made, or has at any time within the ten years preceding the date on which the right to the cash equivalent being transferred arose been (in respect of any employment to which the transfer payment or any part of it relates) either a Controlling Director or in receipt of annual remuneration in excess of £60,000 or, if greater, the allowable maximum (i.e. the equivalent for personal pension schemes of the permitted maximum) for the year of assessment in which the transfer falls, or is entitled to benefits included in the transfer payment which arise from an occupational pension scheme under which the normal retirement age is the forty fifth anniversary of his birth or earlier; and
 - (g) provide a certificate showing that part, if any, of the transfer payment which is derived from another retirement benefits scheme and is not capable of commutation nor payable in lump sum form.
- (4) Where a transfer payment is made to another occupational pension scheme and the administrator of that scheme requests on or after the date of transfer a certificate which states the maximum amount payable as a lump sum in respect of the transfer payment, the Trustees shall calculate as at the date of the transfer, and supply the scheme administrators with a certificate of that maximum.
- (5) Where under this Rule the Trustees transfer to a Related Scheme assets representing the interests of several Members forming a definable group, the Trustees may also transfer on the same conditions (or such of them as may be applied) assets representing the interests of the Dependants of any deceased Member who would in the Trustees' opinion have been a member of that group had he still been alive.

8C. Alternative methods of securing benefits

Where a Member ceases to be in Pensionable Service without ceasing to be a Member, the Trustees may at any time thereafter secure for the Member and his Dependants all the benefits to which they have rights (including rights subject to a contingency) within the maxima approvable for them by any one of the means which would be appropriate to provide benefits for them under Rule 12B if the Employer ceased to participate in the Scheme and may also take such action in respect of the assets of the Scheme applied to secure the said benefits as they could take under Rule 12C if the Employer ceased to participate:

Provided that any exercise by the Trustees of their powers under this Rule shall be subject to the Member's consent unless -

- (i) it is the application of part of the Fund to secure a pension by the purchase of an annuity from an Insurer on such terms that the liabilities undertaken by the Insurer in respect of the annuity correspond with the liabilities of the Trustees in respect of the pension;

- (ii) the benefits are or are to be secured with an Insurer of the Member's choice; or
- (iii) the Member's consent is not required in circumstances prescribed in Regulations made by virtue of section 73 of the Pension Schemes Act 1993, and the Trustees comply with terms and conditions of any such prescribed circumstances.

8D. Option to have a cash equivalent applied

A Member who has a right to a cash equivalent under Chapter IV of Part IV of the Pension Schemes Act 1993 may exercise the option conferred by that Chapter by making an application in writing to the Trustees requiring them to exercise their powers under either or both of Rules 8B and 8C, in any way or ways, compatible with the provisions of that Part of that Act, that he chooses.

9A. Provisions affecting pensions payable

- (1) Subject to the provisions of this Rule, every pension becoming payable under the Scheme shall be payable by monthly instalments and the amount of each instalment shall be one twelfth of the annual amount of the pension.
- (2) Where a pension is to be paid by monthly instalments, the first instalment shall fall due on the first day of the period for which the pension is payable and each instalment after the first shall fall due in each month in that period on the day which is designated by the same number as the day of the month on which the first instalment fell due (or, in any month which has no such day, on the last day of such month); and where part of the last instalment of the pension relates to a period for which the pension is not payable the Trustees shall have the right to recover that part but shall not be obliged to do so.
- (3) Except where the first instalment of a pension falls due on the first day of a month, the Trustees may as a matter of administrative convenience defer payment of each monthly instalment until the first day of the month next following the due date of payment of that instalment.
- (4) If in the opinion of the Trustees it would be inconvenient or unduly costly to pay or continue paying any pension in the manner prescribed by the Rules, the Trustees may arrange with the beneficiary to substitute for that pension a pension of equal value payable quarterly, half yearly or yearly; and where immediately before the date of any increase in the limits specified in section (5) of this Rule a pension is in course of payment under the Scheme to or for the benefit of a person, the Trustees may when the next instalment of the pension falls due make such arrangement with that person as they could make under section (5) of this Rule if that instalment were the first instalment of the pension.
- (5) If when a pension becomes payable under the Scheme to or for the benefit of any person the value of the aggregate benefits payable to or for the benefit of that person under all Related Schemes does not exceed the value of an annuity of £260 per annum payable for the remainder of his life or such greater amount as may be prescribed from time to time by regulations made under section 77 of the Pension Schemes Act 1993 and as will not prejudice Approval, the Trustees may pay to him or for his benefit in lieu of the pension a cash sum of equal value calculated on a basis certified as reasonable by the Actuary; and if the Trustees make such a payment, the person shall cease to have any claim for benefits under the Scheme.

- (6) Where under section (4) or (5) of this Rule the Trustees pay a cash sum to a Member, if there is a pension prospectively payable under the Scheme to or for the benefit of a Dependant of the Member the amount of which is such that a cash sum in lieu thereof could be paid under section (5) of this Rule were the Member to die on the date his pension becomes payable, the Trustees may at the same time as they pay the cash to the Member pay to him or to or for the benefit of the Dependant in lieu of the prospective benefits of the Dependant a cash sum of equal value calculated on a basis certified as reasonable by the Actuary; and if the Trustees make such a payment, the Dependant shall cease to have any claim for benefits under the Scheme.
- (7) If when a pension becomes payable under the Scheme to a Member the Member is in exceptional circumstances of serious ill-health (of which the Trustees shall be the sole judge), the Trustees may, with the prior written consent of the Board of Inland Revenue, pay to him in lieu of the pension a cash sum of equal value calculated on a basis certified as reasonable by the Actuary; and if they do so, the Member shall cease to have any claim for benefits under the Scheme.

9B. Automatic adjustments in pensions payable

- (1) This Rule shall apply where the Trustees determine that a pension or part thereof is to be adjusted during payment.
- (2) Subject to the provisions of this Rule and of Rule 10A and Rule 10B a pension or part of a pension to which this Rule applies shall -
- (a) be increased by a fixed percentage, the rate of increase being such as will not prejudice Approval; or
- (b) be adjusted in line with the Index.

The date from which an increase or adjustment is to be made and the amount of such increase or adjustment shall be notified by the Trustees in writing to the Member or the person to whom the pension is payable. Thereafter, the increase or adjustment shall be made on the anniversary of the date of the first increase or adjustment.

- (3) Where a pension or part of a pension is to be adjusted in line with the Index, the amount per annum payable from each anniversary of the first due date of the adjustment shall be calculated by dividing the initial amount by the figure in that Index appropriate to the third month before that in which the first adjustment fell due and multiplying the amount so obtained by the corresponding figure for the third month before that in which the relevant anniversary occurs:

Provided that the Trustees may specify that any adjustment which would result in a decrease in the annual amount of a pension shall be ignored.

- (4) Where this Rule applies to a pension or part of a pension payable under Rule 7A or Rule 7B the pension, unless the Trustees otherwise determine, shall be altered at the due date of the first instalment to such amount as the Trustees consider to be equitable having regard to the adjustments that would have been made to the pension had the Member died on the earliest date which could have given rise to the pension.

- (5) Where any amount of pension under Rule 4C is determined by reference to another pension, unless the Trustees otherwise determine, it shall not be adjusted by reference to this Rule but shall be adjusted in step with that other pension.

- (6) If the Index ceases to be in existence, the Trustees shall thereafter adjust pensions in course of payment in a manner which the Actuary recommends to the Trustees as being reasonable.

10A. Benefit Limits applicable to a Group A Member

- (1) Notwithstanding anything to the contrary in the Scheme provisions -
- (a) any term used in the Scheme as a measure of the annual earnings of a Group A Member for the purposes of calculating benefits is to be interpreted as though those earnings are no greater than the Permitted Maximum; and the benefits so calculated may be augmented up to the maximum limits in paragraph (b) of this section;
 - (b) the benefits payable to a Group A Member or his Dependents or other beneficiaries in respect of him shall not, when aggregated with all benefits of a like nature provided under all Associated Schemes, exceed the limits set out in the other sections of this Rule;
 - (c) for the purpose of calculating the Aggregate Retirement Benefit or the total retirement benefit under the proviso to section (2) of this Rule, the pension equivalent of any Lump Sum Retirement Benefit is one twelfth of its total cash value.

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

- (a) on retirement at any time between attaining the age of fifty years and attaining the age of seventy five years, except before Normal Retirement Date on grounds of Incapacity, a pension of one sixtieth of Final Remuneration for each year of Service (not exceeding forty years) or such greater amount as will not prejudice Approval;
- (b) on retirement at any time before Normal Retirement Date on grounds of Incapacity a pension of the amount which could have been provided at Normal Retirement Date in accordance with paragraph (a) of this section had the Member remained in Service until Normal Retirement Date with Final Remuneration being computed as at the actual date of retirement;
- (c) on leaving Pensionable Service before attaining the age of seventy five years, a pension of one sixtieth of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding forty years) or such greater amount as will not prejudice Approval. The amount computed as aforesaid may be increased by 5% for each complete year or, if greater, in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with Social Security legislation is also allowable;

Provided that the benefits for a Group A Member shall be further restricted to ensure that his total retirement benefit from this Scheme and from any Associated Scheme or Connected Scheme does not exceed a pension of one thirtieth of the Permitted Maximum for each year of service, subject to a maximum of twenty thirtieths. For the purpose of this proviso, service is the aggregate of Service and any period of service which gives rise to benefits under this Scheme in respect of an Associated Employment or under a Connected Scheme provided that no period is to be counted more than once.

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

- (a) on retirement at any time between attaining the age of fifty years and attaining the age of seventy five years, except before Normal Retirement Date on grounds of Incapacity, three eightieths of Final Remuneration for each year of Service (not exceeding forty years) or such greater amount as will not prejudice Approval;

- (b) on retirement at any time before Normal Retirement Date on grounds of Incapacity the amount which could have been provided at Normal Retirement Date in accordance with paragraph (a) of this section had the Member remained in Service until Normal Retirement Date with Final Remuneration being computed as at the actual date of retirement;
 - (c) on leaving Pensionable Service before attaining the age of seventy five years, a lump sum of three eightieths of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding forty years) or such greater amount as will not prejudice Approval. The amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.
- (4) The lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon) payable on the death of a Member while in Service or (having left Service with a deferred pension) before the commencement of his pension shall not, when aggregated with all like benefits under Associated Schemes, exceed the greater of -
 - (a) £5,000; and
 - (b) four times the greater of the annual rate of the Member's basic salary or wages at the date of death or leaving Pensionable Service together with the yearly average of Fluctuating Emoluments received in the three years (or the whole period of Service, if less) up to the date of death or leaving Pensionable Service (the aggregate of which shall not exceed the Permitted Maximum) and Final Remuneration as defined in Rule 10C (but ignoring for this purpose paragraph (i), paragraph (ii), paragraph (iii) and paragraph (vi) of the proviso thereto), less any Retained Death Benefits.
- (5) Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender or allocation of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to two thirds of the maximum Aggregate Retirement Benefit payable to the Member in accordance with section (2) of this Rule immediately before his death. Where the death of the Member occurs whilst in Service before Normal Retirement Date the maximum is that appropriate had the Member retired on grounds of Incapacity on the date of death entitled to no retained benefits from previous employments.
- (6) If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents' pensions payable in respect of him under this and all Associated Schemes shall not exceed the full amount of the maximum Aggregate Retirement Benefit calculated in accordance with section (5) of this Rule.
- (7) The maximum amount of a pension ascertained in accordance with this Rule less any pension which has been commuted for a lump sum or the pension equivalent of any benefits in lump sum form and any pension surrendered to provide a Dependant's pension may be increased by 3% for each complete year or, if greater, in proportion to the increase in the Index which has occurred since the pension commenced to be paid.

10B. Benefit Limits Applicable to a Group B Member or Group C Member

- (1) Notwithstanding anything to the contrary in the Scheme provisions, the benefits payable to a Group B Member or Group C Member or to his Dependents or other beneficiaries in respect of him shall not when aggregated with all benefits of a like nature provided under all Associated Schemes exceed the limits set out in the other sections of this Rule.

- (2) Subject to sections (9) and (10) of this Rule the Member's Aggregate Retirement Benefit shall not exceed -
- (a) on retirement at or before Normal Retirement Date, a pension of one sixtieth of Final Remuneration for each year of Service (not exceeding forty years) or such greater amount as will not prejudice Approval;
 - (b) on retirement at any time before Normal Retirement Date on grounds of Incapacity a pension of the amount which could have been provided at Normal Retirement Date in accordance with paragraph (a) of this section had the Member remained in Service until Normal Retirement Date with Final Remuneration being computed as at the actual date of retirement;
 - (c) on retirement after Normal Retirement Date, a pension of the greatest of -
 - (i) the amount calculated in accordance with paragraph (a) of this section on the basis that the actual date of retirement was the Member's Normal Retirement Date,
 - (ii) the amount which could have been provided at Normal Retirement Date in accordance with paragraph (a) of this section increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period, and
 - (iii) where the Member's total Service has exceeded forty years, the aggregate of one sixtieth of Final Remuneration for each year of Service before Normal Retirement Date (not exceeding forty such years) and of a further one sixtieth of Final Remuneration for each year of Service after Normal Retirement Date, with an overall maximum of forty five reckonable years;
 - (d) on leaving Pensionable Service before Normal Retirement Date, a pension of one sixtieth of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding forty years) or such greater amount as will not prejudice Approval. The amount computed as aforesaid may be increased by 5% for each complete year or, if greater, in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with Social Security legislation is also allowable.

Final Remuneration shall be computed in respect of paragraphs (c)(i) and (c)(iii) of this section as at the actual date of retirement, but subject always to section (8) of this Rule.

- (3) Subject to sections (9) and (10) of this Rule the Member's Lump Sum Retirement Benefit shall not exceed -
- (a) on retirement at or before Normal Retirement Date, three eightieths of Final Remuneration for each year of Service (not exceeding forty years) or such greater amount as will not prejudice Approval;
 - (b) on retirement at any time before Normal Retirement Date on grounds of Incapacity the amount which could have been provided at Normal Retirement Date in accordance with paragraph (a) of this section had the Member remained in Service until Normal Retirement Date with Final Remuneration being computed as at the actual date of retirement;
 - (c) on retirement after Normal Retirement Date, the greatest of -
 - (i) the amount calculated in accordance with paragraph (a) of this section on the basis that the actual date of retirement was the Member's Normal Retirement Date,
 - (ii) the amount which could have been provided at Normal Retirement Date in accordance with paragraph (a) of this section together with an amount representing interest thereon, and

- (iii) where the Member's total Service has exceeded forty years, the aggregate of three eightieths of Final Remuneration for each year of Service before Normal Retirement Date (not exceeding forty such years) and of a further three eightieths of Final Remuneration for each year of Service after Normal Retirement Date, with an overall maximum of forty five reckonable years;
- (d) on leaving Pensionable Service before Normal Retirement Date, a lump sum of three eightieths of Final Remuneration for each year of Service prior to leaving Pensionable Service (not exceeding forty years) or such greater amount as will not prejudice Approval. The amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

Final Remuneration shall be computed in respect of paragraphs (c)(i) and (c)(iii) of this section as at the actual date of retirement, but subject always to section (7) of this Rule.

- (4) The lump sum benefit (exclusive of any refund of the Member's own contributions and any interest thereon) payable on the death of a Member while in Service or (having left Service with a deferred pension) before the commencement of his pension shall not, when aggregated with all like benefits under Associated Schemes, exceed the greater of -
 - (a) £5,000; and
 - (b) four times the greater of the annual rate of the Member's basic salary or wages at the date of death or leaving Pensionable Service together with the yearly average of Fluctuating Emoluments received in the three years (or the whole period of Service, if less) up to the date of death or leaving Pensionable Service and Final Remuneration as defined in Rule 10C (but ignoring for this purpose paragraph (i), paragraph (ii), paragraph (iii) and paragraph (vi) of the proviso thereto), less Retained Death Benefits.
- (5) Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender or allocation of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to two thirds of the maximum Aggregate Retirement Benefit payable to the Member in accordance with section (2) of this Rule immediately before his death. Where the death of the Member occurs whilst in Service before Normal Retirement Date the maximum is that appropriate had the Member retired on grounds of Incapacity on the date of death entitled to no retained benefits from previous employments.
- (6) If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents' pensions payable in respect of him under this and all Associated Schemes shall not exceed the full amount of the maximum Aggregate Retirement Benefit calculated in accordance with section (5) of this Rule.
- (7) The maximum amount of a pension ascertained in accordance with this Rule less any pension which has been commuted for a lump sum or the pension equivalent of any benefits in lump sum form and any pension surrendered to provide a Dependant's pension may be increased by 3% for each complete year or, if greater, in proportion to the increase in the Index which has occurred since the pension commenced to be paid.
- (8) Subject to section (10), of this Rule if a Member elects under Rule 6D to take any part of his benefits under the Scheme in advance of actual retirement, the limits set out in sections (2) and (3) of this Rule shall apply as if he had retired at the date of the election as aforesaid, no account being taken of subsequent Service, save that the maximum amount of any uncommuted pension not commencing immediately may be increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period.

- (9) Where a Member is a Controlling Director the amount of the maximum Aggregate Retirement Benefit in section (2) of this Rule and of the maximum Lump Sum Retirement Benefit in section (3) of this Rule shall be reduced, where necessary for Approval, so as to take account of any corresponding benefits under either a retirement annuity contract or trust scheme approved under Chapter III Part XIV of the Act or a personal pension scheme approved under Chapter IV Part XIV of the Act.
- (10) Where a Member is a Controlling Director at his Normal Retirement Date -
- (a) where retirement takes place after Normal Retirement Date but not later than the Member's seventieth birthday, paragraphs (c)(ii) and (c)(iii) of section (2) of this Rule and paragraphs (c)(ii) and (c)(iii) of section (3) of this Rule shall not apply, and if retirement is later than the attainment of that age, the said paragraphs shall apply as if the Member's seventieth birthday had been specified in the Rules as his Normal Retirement Date, so as not to treat as Service after Normal Retirement Date any Service before the Member reaches the age of seventy years;
 - (b) where section (8) of this Rule applies to him, the rate of the actuarial increase referred to therein in relation to any period of deferment prior to his attaining the age of seventy years, shall not exceed the percentage increase in the Index during that period.

10C. Final Remuneration and other definitions for Rule 10A and Rule 10B

- (1) In Rule 10A and Rule 10B the following expressions shall have the meanings ascribed to them -

"Aggregate Retirement Benefit" means the aggregate of -

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

"Associated Employment" in relation to a Member means two or more concurrent employments held by the Member which are associated i.e. -

- (a) there is a period during which the Member has held all of them;
- (b) the period counts under the Scheme in the case of all of them as a period in respect of which benefits are payable; and
- (c) during the period all the employers in question are associated.

For this purpose employers are associated if one is controlled by the other, or both are controlled by a third party. Control has the same meaning as in section 840 of the Act, or in the case of a close company, section 416 of the Act.

"Final Remuneration" means the greater of -

- (a) the highest remuneration upon which tax liability has been determined for any one of the five years preceding the Relevant Date being the aggregate of -
 - (i) the basic pay for the year in question, and
 - (ii) the yearly average over three or more consecutive years ending with the expiry of the corresponding basic pay year, of any Fluctuating Emoluments provided that Fluctuating Emoluments for a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year; or

- (b) the yearly average of the total emoluments from the Employer which are assessable to Income Tax under Case I or II of Schedule E and upon which tax liability has been determined for any three or more consecutive years ending not earlier than ten years before the Relevant Date:

Provided that -

- (i) remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares (except where the shares or rights etc. which give rise to such an amount liable to tax under Schedule E had been acquired before 17th March 1987) or anything in respect of which tax is chargeable by virtue of section 148 of the Act;
- (ii) in relation to a Controlling Director, Final Remuneration shall (subject to paragraph (iv) of this proviso) be the amount ascertained in accordance with paragraph (b) above and paragraph (a) above shall not apply;
- (iii) in relation to any other Member whose remuneration in any year subsequent to 5th April 1987 used for the purpose of calculating benefits has exceeded £100,000 (or such other figures as may be prescribed in an order made by the Treasury), Final Remuneration shall (subject to paragraph (iv) of this proviso) be the amount ascertained in accordance with paragraph (b) above and paragraph (a) above shall not apply, unless the Member chooses to adopt £100,000 (or such other figure as may be prescribed by the Treasury);
- (iv) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's remuneration (as calculated in paragraph (a) above) or total emoluments (for the purposes of paragraph (b) above) of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date but this proviso shall not apply to the calculation of the maximum Lump Sum Retirement Benefit in accordance with section (3) of Rule 10B for a Group C Member unless the Member's Aggregate Retirement Benefit is similarly increased beyond the maximum amount which could have been paid but for this proviso and the provision to increase Fluctuating Emoluments in paragraph (a)(ii) above and then only to the same proportionate extent;
- (v) Final Remuneration for a Group A Member shall not exceed the Permitted Maximum;
- (vi) for the purpose of calculating the maximum Lump Sum Retirement Benefit of a Group B Member Final Remuneration shall not in any event exceed £100,000 (or such other figure as may be prescribed by the Treasury);
- (vii) an employee who remains, or is treated as remaining, in Service but by reason of Incapacity is in receipt of a much reduced remuneration (e.g. under a sick pay or permanent health insurance scheme) for more than ten years up to the Relevant Date may calculate Final Remuneration under paragraph (a) or (b) above with the Final Remuneration calculated at the cessation of normal pay and increased in accordance with the Index;
- (viii) the total amount of any profit related pay (whether relieved from income tax or not) may be classed as pensionable remuneration and treated as a Fluctuating Emolument;
- (ix) an early retirement pension in payment from the Employer may not be included in Final Remuneration.

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

For the purposes of paragraph (a)(ii) above, any Remuneration that is received after the Relevant Date and upon which tax liability has been determined will be treated as a Fluctuating Emolument, if it was earned or qualified for prior to the Relevant Date, and may be included if the yearly average of three or more consecutive years begins no later than the commencement of the basic pay year.

For the purposes of paragraph (b) above, any emoluments received after the Relevant Date which have been earned or qualified for prior to that date may be included if the yearly average of three or more consecutive years begins no later than the commencement of the year ending with the Relevant Date.

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

Where immediate benefits are not being provided or where a transfer is to be made in respect of accrued pension benefits then Final Remuneration may only be calculated using remuneration assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined.

"Fluctuating Emoluments" means such part, if any, of an employee's earnings which are not paid on a fixed basis and are additional to his basic wage or salary. They include overtime, commission, bonuses or benefits in kind as long as they are assessable to tax under Case I or II of Schedule E and profit related pay (see paragraph (viii) of the proviso to the definition of Final Remuneration in this Rule). A director's fees may rank as Fluctuating Emoluments according to the basis on which they are voted.

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

"Service" means service with the Employer but may be extended to include -

- (a) service with an Associated Employer, or
- (b) except in relation to a Controlling Director of either employer, such other employers as the Board of Inland Revenue have agreed in writing to be sufficiently closely associated for this purpose;

and in computing a Member's Service no period of time shall be counted more than once.

Service may include previous periods of service with the Employer (including an Associated Employer):

Provided that -

- (i) where the Employer is a partnership, the employee has not been a partner in the employing partnership, and

- (ii) any refund of contributions made in respect of the earlier periods of service is refunded to the scheme, and
- (iii) any benefits in relation to the earlier periods of service come into payment simultaneously with those of the latest period of service, and any benefits already in payment shall be suspended to meet this condition, or
- (iv) in other circumstances, the Board of Inland Revenue have specifically so authorised.

In all other circumstances where a Member has two or more separate periods of service with the Employer (including an Associated Employer) Service shall be computed separately in respect of each period of service.

Service shall not include periods of unremunerated service except where that service is as an officer of a company.

11. Miscellaneous provisions

- (1) **Benefits Non-assignable.** No person having a beneficial interest in the Scheme shall assign or charge that interest or any part of it, except by a surrender in terms of Rule 6E, and should he attempt to do so the Trustees shall apply any moneys to which the person would otherwise have been or become entitled for the maintenance or otherwise for the support or benefit of that person or his Dependants or any of them as the Trustees in their absolute discretion think fit, but in no circumstances shall any payment be made to a purported assignee.
- (2) **Incapacity of beneficiary.** If any person to whom a benefit is payable under the Scheme is a minor or a bankrupt or suffers from any incapacity rendering him in the opinion of the Trustees unable to manage his affairs or is in an institution, the Trustees may at their discretion pay the benefit in whole or in part to any of the guardians, relatives or Dependants of that person or of his Dependants or to the institution, and the receipt of the persons paid shall be a complete discharge to the Trustees for the benefit or part thereof so paid.
- (3) **Failure to claim.** If any person who is entitled to a payment under the Scheme fails to claim such payment (or, if such person is a child, no claim is made on behalf of such child) within six years of the due date of such payment, then such person shall cease to have any claim for such payment.
- (4) **Evidence and Information.** The Trustees may require any Member or beneficiary under the Scheme to produce such evidence and information of a personal nature as they may from time to time reasonably require for the purposes of the Scheme and, if such evidence or information is not produced; then notwithstanding anything to the contrary in the Rules, the Trustees may withhold any benefit in relation to which the evidence or information was required until such time as it is produced.
- (5) **Evidence of health.** The Trustees may require any person on whose death in Service a benefit may become payable to produce such evidence of health or to satisfy such requirements as the Trustees deem necessary and, if that evidence is not produced, or if the evidence produced is not satisfactory to the Trustees, or if the requirements are not satisfied, then notwithstanding anything to the contrary in the Rules, the amount of benefit in respect of which the evidence was required or the requirements had to be satisfied shall not be payable or shall be payable subject to such special terms and conditions as the Trustees may decide.

- (6) **Policy restrictions.** If under the terms of the policies effected or to be effected by the Trustees for the purpose of providing the benefits payable on the death of a Member in the Service the Insurer imposes restrictions on the amount of any benefit payable on death as a result of war or while the Member is on National Service or in certain other circumstances, then notwithstanding anything to the contrary in the Rules, the Trustees' liability under the Scheme in such circumstances shall not exceed the amounts, if any, payable by the Insurer under the policies.
- (7) **Aggregation of benefits.** For the purpose of ascertaining the aggregate benefits to which any person may be entitled under all Relevant Schemes providing benefits by virtue of Service any benefits to which that person is entitled by virtue of his own membership shall be treated separately from any benefits to which he is entitled by right of the membership of some other person.
- (8) **Liability for duties and taxes.** Where in consequence of making a payment under the Scheme the Trustees will incur a liability for a duty or tax, they may deduct the amount of the duty or tax from the payment; and where a payment is made without such a deduction the payee shall be obliged to repay the amount of the duty or tax if within six months of making the payment the Trustees so demand.
- (9) **Conversion to sterling.** All benefits and contributions under the Scheme shall be payable in sterling; and if a Member's emoluments are payable in another currency, then for the purpose of determining their amount on any date at which a calculation of his emoluments is to be made for the purposes of the Scheme they shall be converted into sterling at the rate of exchange obtainable by the Employer from its bank at that date.
- (10) **Interest on contributions.** Where there is to be a return of a Member's contributions with interest the amount of interest shall be that amount which the Actuary recommends to the Trustees as being reasonable.
- (11) **Charge on benefits.** All benefits payable or prospectively payable to the Member and his Dependants under the Scheme shall stand charged with and be subject to reduction on account of all debts due to the Employer by the Member and arising out of a criminal, negligent or fraudulent act or omission by the Member and, upon the submission to the Trustees of an agreement in writing between the Employer and the Member as to the amount of the debt or of evidence that the debt has become enforceable under an order of a competent court or the award of an arbitrator or in Scotland an arbiter to be appointed (failing agreement between the parties) by the sheriff, the Trustees shall pay to the Employer an amount equal to the debt or the actuarial value of the said benefits at that time, whichever is less, and shall reduce the said benefits so that the difference between their value before and after reduction does not exceed the amount paid; and where the Trustees have made such a payment they shall give the Member a certificate showing the amount paid by them to the Employer in discharge or partial discharge of the debt and the effect of the payment on the said benefits:

Provided that this section shall not have effect so as to enable the Trustees to reduce any Transfer Benefits arranged for the Member by the Trustees pursuant to Rule 8A and for the purposes of this section such benefits shall be excluded from the calculation of the actuarial value of benefits under the Scheme.
- (12) **Temporary absence.** Where a Member is temporarily absent from his employment in the Service or is seconded to another employer while remaining resident in the United Kingdom with a definite expectation that he will return to employment in the Service, unless the Employer otherwise decides, or unless the Member's Pensionable Service has terminated beforehand, then Rule 5A shall not apply until the earliest to occur of the following events -
 - (a) a change of circumstances such that there is no longer a definite expectation that the Member will return to employment in the Service;

- (b) the Member's admission to another scheme which is approved or seeking approval under Chapter I of Part XIV of the Act or a personal pension scheme which is approved under Chapter IV of Part XIV of the Act (other than one to which only minimum contributions are payable);
- (c) the expiry of ten years (or such longer period as the Board of Inland Revenue will allow) from the Member's last day of employment in the Service:

Provided that -

- (i) where the Member is absent due to Incapacity, this section shall be read as if paragraph (a) did not appear;
- (ii) during any maternity pay period as defined in section 153 of the Employment Protection (Consolidation) Act 1978, the Trustees shall administer the Scheme so as to give effect to the Member's rights under section 33 of that Act;
- (iii) the Trustees shall administer the Scheme in accordance with the principle of equal treatment set out in section 23 and Schedule 5 of the Social Security Act 1989 in so far as it applies to unfair maternity provisions or unfair family leave provisions as defined in that Schedule;
- (iv) if the Member has a right under section 39 of the Employment Protection (Consolidation) Act 1978 to return to work, Rule 5A shall not apply to her so long as that right subsists.

12A. Employer ceasing to contribute.

- (1) A Participating Employer may suspend its contributions to the Fund in whole or in part after giving to the Trustees and to the Members in respect of whom contributions are to be suspended notice in writing of its intention to do so, but not so that its liability for contributions due before the date the notice was given is affected; and subject to section (3) of this Rule the Employer may resume full contributions after giving notice as aforesaid.
- (2) For any period that an Employer is paying reduced contributions a Member's contributions shall not, subject to section (2) of Rule 3D, exceed nine times the Employer's contributions in respect of that Member and for any period that the Employer's contributions in respect of a Member are wholly suspended a Member's contributions shall also be suspended.
- (3) The Trustees shall inform the Board of Inland Revenue of any action taken in accordance with section (1) of this Rule and while contributions are so suspended the continuation of the Employer's participation shall be subject to the agreement of the Board of Inland Revenue and subject to such amendments or conditions as the Board of Inland Revenue may require.
- (4) Where the Participating Employer has suspended its contributions under section (1) of this Rule for a period of more than three years the Trustees may, after giving notice in writing to the Participating Employer and to each Member in relation to whom it is the Employer, treat the suspension of contributions as a termination of participation and the provisions of Rule 12B shall apply.

12B. Employer ceasing to participate

- (1) Any Participating Employer may terminate its participation in the Scheme either -
 - (a) after giving to the Trustees and to the Members in its employ one month's notice in writing of its intention to do so; or
 - (b) without notice if its undertaking (or any substantial part of its undertaking) is absorbed in the undertaking of or acquired by another employer.
- (2) Each Participating Employer shall terminate its participation in the Scheme -
 - (a) if it is being wound up; or
 - (b) if pursuant to Rule 12A the Trustees so decide; or
 - (c) if the Principal Employer ceases to participate without any other employer undertaking to perform the Principal Employer's obligations under the Trust Deed and Rules; or
 - (d) if, not being the Principal Employer, its association with the Principal Employer has changed to such an extent that its continued participation would prejudice Revenue Approval;

in each case at a date to be determined by it after consulting the Trustees but not later than one year after the event giving rise to the termination or, in the case of termination under paragraph (d) of this section, at such later date as may be agreed by the Board of Inland Revenue.
- (3) Where a Participating Employer terminates its participation in the Scheme, Service for the purposes of the Scheme shall, unless the Member's Service has terminated beforehand, be deemed to cease for each Member in relation to whom it is the Employer. The Trustees shall, after providing for all costs, charges and expenses properly payable to the extent that they are not paid by the Participating Employer or the Principal Employer, provide for the persons specified in section (4) of this Rule the benefits specified in section (5) of this Rule by the methods described in section (6) of this Rule.
- (4) The persons referred to in section (3) of this Rule are -
 - (a) such of the Members and Dependants of Members as are in receipt of pensions;
 - (b) the Dependants of those Members who are in receipt of pensions or have predeceased the Dependants without an immediate pension becoming payable to those Dependants;
 - (c) the Members whose Normal Retirement Dates have occurred but who are not already in receipt of pensions by reason of their retirement having been deferred and the Dependants of those Members; and
 - (d) the Members not hereinbefore specified and their Dependants;

and the Members referred to in this section are those in relation to whom the Participating Employer ceasing to participate is the Employer and who are not on the day after the date of termination in the employ of a Participating Employer continuing to participate.
- (5) The benefits referred to in section (3) of this Rule are as nearly as the sufficiency of the assets held by the Trustees and the methods adopted to provide them will allow, firstly, the benefits already being paid under the Scheme to or for the benefit of persons specified in section (4) of this Rule and, secondly, the benefits not already being paid but which would in the opinion of the Actuary have been provided for them under the Scheme if the Employer had continued to participate and each Member in the Service on the date of termination had ceased to be in the Service on that date; and the said benefits shall be in lieu of any other benefits for those persons under the Scheme: Provided that in so far as the said benefits are not already being paid the benefits for a Member whose Normal Retirement Date has not occurred shall not be payable earlier than the earliest date that would have been permitted under Rule 6B nor shall they fall due later than his Normal Retirement Date and the benefits for a Member whose Normal Retirement Date has occurred shall fall due at the date of termination.

- (6) The Trustees shall provide the benefits referred to in section (3) of this Rule -
- (a) by securing them under any of the policies already held by the Trustees for the purposes of the Scheme; or
 - (b) by purchasing individual policies or annuity bonds (with death benefits where appropriate) from an Insurer on terms which prohibit their assignment by the persons having a beneficial interest therein; or
 - (c) by making a transfer in accordance with Rule 8B;
- or by such combination of these means as the Trustees think fit and may thereafter alter the method of providing the said benefits but not so that the assets used to provide the said benefits for any person shall be available for other purposes of the Scheme.

- (7) Where a Participating Employer ceases to participate in the Scheme and the Actuary advises that there is a surplus in the Fund which cannot be applied in accordance with section (3) of Rule 3A, the Trustees shall, subject to the prior consent of the Board of the Inland Revenue, and after deduction of any tax for which the Employer is liable under section 601 of the Act, make over to the Participating Employer such part of the surplus as is attributable to the contributions made by it and the Members in relation to whom it is the Employer.

12C. Termination of Trusts

- (1) Subject to the provisions of this Rule at any time after any or all of the Participating Employers have ceased to participate the Trustees may dispose of such of the assets of the Scheme as have been applied to provide benefits in accordance with paragraphs (a) and (b) of section (6) of Rule 12B by making over to the beneficiary or to trustees for him a document of title to his benefits:
- Provided that the Trustees shall exercise their powers under this section in the event of a Participating Employer which has ceased to participate being wound up.
- (2) Where under sections (4), (5) or (6) of Rule 9A the Trustees might have paid a cash sum in lieu of pension, the Trustees may instead of conferring any rights on a beneficiary in accordance with section (1) of this Rule pay a cash sum equal to the value of his benefits.
- (3) Before taking action which confers any rights on a beneficiary in accordance with section (1) of this Rule the Trustees shall ensure -
- (a) that the document of title states in monetary terms the maximum extent to which benefits may be taken in lump sum form on death and at Normal Retirement Date;
 - (b) that the insurance policy or annuity contract by which the benefits are secured contains provisions prohibiting its assignment or surrender, except an assignment or surrender within the terms permitted by regulations made under section 19 of the Pension Schemes Act 1993; and either specifies the dates on which the period or periods of service which gave rise to the benefits began and ended or specifies whether that service was service in respect of which the Scheme conformed to the appropriate extent with the preservation requirements of Chapter I of Part IV of the Pension Schemes Act 1993 and, if not, the actual length of that service; and
 - (c) that the rights to be conferred on the beneficiary (which may include rights formerly vested in the Trustees) will be on terms which are consistent with the terms which applied under the Scheme to his benefits at the date of termination.
- (4) When the Trustees have disposed of all the assets of the Scheme in accordance with the Rules, the Scheme shall be terminated and the Trustees shall be discharged from the trusts of the Scheme without the necessity of written discharges or resignations.

THIS TRUST DEED is made on the date entered as the Date of Execution in the Schedule hereto by the person or persons named in the Schedule as the principal employer (hereinafter called the "Principal Employer") of the first part, the person or persons named in the Schedule as the managing trustees (hereinafter with their successors in office called the "Managing Trustees") of the second part and Standard Life Trustee Company Limited, a company having its Registered Office at Standard Life House, 30 Lothian Road, Edinburgh (hereinafter with its successors in office called the "Pensioner Trustee") of the third part.

WHEREAS -

- (a) the Principal Employer has decided to establish a retirement and death benefits scheme to be known by the name entered in the Schedule as the name of the scheme and to be operated in the manner and with the object hereinafter set forth;
- (b) the second and third parties hereto (who with their successors in office as trustees of the scheme are hereinafter together called the "Trustees") have consented to act as the first trustees of the scheme;
- (c) it is right that the object of the scheme, the conditions of membership thereof, the benefits to be provided thereby, and other relevant matters should be set forth in writing;
- (d) written notice of the benefits to be provided under the scheme and the conditions to be satisfied to qualify for such benefits have been or will be given to the Members:

NOW THEREFORE THIS DEED WITNESSES AND IT IS HEREBY DECLARED AS FOLLOWS -

Interpretation

1 (1) In this Deed unless the context otherwise requires -

- (a) "Act" means the Income and Corporation Taxes Act 1988 and any statutory amendment, modification or re-enactment thereof;
- (b) "Administrator" means the person so defined in the Act;
- (c) "Business" includes -
 - (i) a trade or profession, or
 - (ii) any activity (other than investment) carried on by a body of persons, whether corporate or unincorporate, or
 - (iii) any activity carried on by a holding company for a trading group;
- (d) "Close Company" has the meaning given by sections 414 and 415 of the Act;
- (e) "Company" means any body corporate or unincorporated association, but does not include a partnership;
- (f) "Control" in relation to a body corporate (other than a Close Company) or partnership shall be construed in accordance with section 840 of the Act and in relation to an unincorporated association that section shall be applied as it applies to a body corporate. ~~In relation to a Close Company "control" shall be construed in accordance with section 416 of the Act;~~
- (g) "General Rules" means the rules annexed to this Deed and bearing for the purpose of identification a docquet subscribed by or on behalf of each of the parties hereto;

(h) "Ordinary Annual Contribution" means for the purpose of Clause 7 the smaller of -

(i) the amount found -

(a) where the scheme has been established for three years or more at the time of any borrowing, by dividing the amount of the contributions paid by employers in the period of three years which ended at the end of the previous accounting period of the scheme by three, or

(b) where the scheme has been established for less than three years at the time of any borrowing, by dividing the amount of the contributions paid by the employers in the period since the scheme was established ending at the time of that borrowing by the number of years falling within that period (a part of a year being counted as one year), and

(ii) the amount of the annual contributions which, within the period of three years immediately preceding the date of the borrowing, an Actuary has advised in writing would be necessary to secure the benefits payable under the Scheme.

(i) "Pensioneer Trustee" means a Trustee of the Scheme who is approved by the Board of Inland Revenue to act as such and who is not connected with a Scheme Member, another Trustee or a Participating Employer;

(j) "Pensioner" means a Member who is in receipt of a pension which has not been secured by the purchase of a contract or policy with an Insurer;

(k) "Private Company" means a Company which is not officially listed on a recognised stock exchange within the meaning of section 841 of the Act;

(l) "Relative" means a brother, sister, ancestor or lineal descendant;

(m) "Relevant Member Trustee" means a Managing Trustee who is also a Member of the Scheme, and Relevant Member Trustee includes each such Managing Trustee but only while acting in that capacity;

(n) "Relevant Person" means a Member of the Scheme, a person who has been a Member of the Scheme or an Ex-Spouse Participant;

(o) "Residential Property" means property normally used, or adapted for use as one or more dwellings;

(p) "Rules" means the General Rules;

(q) "Scheme" means the scheme which is named in the Schedule and the provisions of which are set out in the Trust Deed and the Rules;

(r) "Scheme Member" means a member of the Scheme to whom benefit is currently accruing as a result of service as an employee of a Participating Employer, or an Ex-Spouse Participant whose rights under the Scheme derive from a pension sharing order, agreement or equivalent provision;

(s) "Trustees" means those persons holding office as trustees of the Scheme but only while acting in that capacity.

(2) Any question of whether a person is connected with another shall be determined as follows -

(a) a person is connected with an individual if that person is the individual's spouse or is a Relative or the spouse of a Relative of the individual or of the individual's spouse;

- (b) a Scheme Member is connected with a Participating Employer if -
 - (i) the Participating Employer is a partnership and the Scheme Member is connected with a partner, or
 - (ii) the Participating Employer is a Company and the Scheme Member or any person connected with him or her is, or has been during the last 10 years, a Controlling Director of the Company;
 - (c) a Company is connected with another Company if -
 - (i) the same person has Control of both, or
 - (ii) a person has Control of one and persons connected with that person have Control of the other, or
 - (iii) a person has Control of one and that person and persons connected with that person have control over the other;
 - (d) a Company is connected with another person if that person has Control of it or if that person and a person or persons connected with him or her together have Control of it;
 - (e) any two or more persons acting together to secure or exercise Control of a Company shall be treated in relation to that Company as connected one with another and with any person acting on the directions of any of them to secure or exercise Control of the Company.
- (3) A Company is associated with a Participating Employer if (directly or indirectly) the Participating Employer controls that Company or that Company controls the Participating Employer or if both are controlled by a third person.
- (4) For the purposes of this Deed, an investment shall include everything that can be construed as an investment in accordance with section (2) of clause 6 of this Deed.
- (5) Any other words or expressions which are defined in the Rules have the meanings thereby given to them and the other provisions of the Rules as to interpretation apply also to the interpretation of this Deed.

Establishment, object, and trust fund

- 2 (1) The Principal Employer hereby establishes the Scheme with effect from the date entered in the Schedule as the Starting Date and covenants to observe and perform such of the provisions of this Deed and of the Rules as are to be observed and performed by it.
- (2) The object of the Scheme shall be the provision of relevant benefits as defined in section 612(1) of the Income and Corporation Taxes Act 1988 for or in respect of certain persons who are or have been employed by the Participating Employers or any of them.
- (3) The Principal Employer and each other Participating Employer shall pay or cause to be paid to the Trustees at least the contributions to be contributed in accordance with the Rules by or in respect of Members in relation to whom it is the Employer, and shall pay the expenses of establishing, administering and managing the Scheme or its share thereof determined in accordance with section (3) of clause 3.
- (4) The contributions to be paid to the Trustees in accordance with or for the purposes of the Scheme and any transfer values, donations and bequests received for the purposes of the Scheme and all investments for the time being representing the same and all income thereon and all moneys derived therefrom shall constitute a fund vested in the Trustees upon irrevocable trust to be held, applied and disposed of for the purposes of the Scheme in accordance with its provisions.

Participating employers

- 3 (1) If the business or assets (or any substantial part of the business or assets) of the Principal Employer is absorbed in the business of or acquired by any other employer and such employer in anticipation of or on or within twelve months after such absorption or acquisition enters with the prior approval of the Board of Inland Revenue into a formal agreement with the Trustees undertaking to perform all the obligations of the Principal Employer under the Trust Deed and Rules, the Scheme shall continue in operation and the Trust Deed and Rules shall as from the date of such absorption or acquisition have effect mutatis mutandis as though such other employer had participated in the original establishment of the Scheme and been a party to the Trust Deed in the place of the Principal Employer and the expression "Principal Employer" as used throughout the Trust Deed and Rules shall thenceforth mean such other employer.
- (2) The Principal Employer may with the written consent of the Trustees permit any employer associated with the Principal Employer to participate in the Scheme subject to the conditions (a) that its admission has been approved by the Board of Inland Revenue and (b) that such employer executes a deed or other instrument undertaking to comply with and be bound by the provisions of the Scheme.
- (3) Expenses incurred in connection with the establishment, administration and management of the Scheme shall be paid by the Participating Employers in the same proportions as the amounts to be contributed by them or in such other proportion as the Principal Employer may decide from time to time. Any expenses not paid by the Participating Employers may be met by the Trustees out of the Fund.

The Trustees

- 4 (1) Any of the Managing Trustees may resign from office at any time if -
- (a) he is not a Relevant Member Trustee; and
 - (b) he gives the Principal Employer and the other Trustees one month's notice in writing of his intention so to do; and
 - (c) his resignation does not reduce the number of Managing Trustees to less than one at the date when he resigns;
- and if all those conditions are met upon the expiry of the notice, then the Managing Trustee shall be discharged as a Trustee without the necessity of any written discharges.
- (2) The Principal Employer may by deed remove any of the Managing Trustees from office and may by deed appoint any person to be one of the Managing Trustees in place of one who has died or resigned or been removed from office or become unfit or incapable of acting for any reason or as an additional Managing Trustee but all so that the Managing Trustees shall not be less than one.
- (3) The Pensioner Trustee may only resign from office if another person who is qualified to act as a Pensioner Trustee is willing to act in its place and the Principal Employer is willing to appoint that person as Pensioner Trustee with immediate effect. Upon the appointment of a replacement Pensioner Trustee, the Pensioner Trustee shall be discharged as a Trustee without the necessity of any written discharges.
- (4) The Principal Employer may by deed remove the Pensioner Trustee from office after giving to the Pensioner Trustee and the Managing Trustees one month's notice in writing of its intention so to do.

- (5) One of the Trustees shall be a Pensioner Trustee and the appointment of that trustee and his obligation and entitlement to act as a Pensioner Trustee shall be incapable of termination at any time except -
- (a) by the death of the trustee,
 - (b) by an order of the court,
 - (c) by virtue of section 3, 4 or 29 of the Pensions Act 1995 or Article 3, 4 or 29 of the Pensions (Northern Ireland) Order 1995 (prohibition, suspension or disqualification),
 - (d) by withdrawal by the Board of Inland Revenue of their approval of the trustee to act as a Pensioner Trustee,
 - (e) where termination occurs by virtue of the trustee having committed a fraudulent breach of trust in relation to the scheme, or
 - (f) where another trustee is appointed to act as Pensioner Trustee in place of the trustee, and the appointment of the other trustee takes effect at the same time as the termination.

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

- (6) If a Trustee acting as the Pensioner Trustee ceases to be qualified to so act, that Trustee shall resign from office forthwith, and shall thereafter intimate such resignation in writing to the Principal Employer and the Managing Trustees.

The Actuary

- 5 (1) When the Scheme is established, the Trustees shall appoint to act as the Actuary of the Scheme a Fellow of the Institute of Actuaries or of the Faculty of Actuaries in Scotland. Alternatively, they may enter into an agreement with a partnership of such persons or a corporate body undertaking to provide the services of such a person and, if they do so, the person provided shall be deemed to have been appointed under this clause. The Trustees may, with the consent in writing of the Principal Employer, remove the Actuary and appoint another to fill the vacancy and may fix the remuneration of the Actuary.
- (2) Where, at any given time, the Trustees have not arranged for all their liabilities under the Rules to be met by means of contracts or policies with an Insurer, the Trustees shall require the Actuary to make a valuation and report upon the adequacy of the Fund at the commencement of the Scheme or, if later, the date on which all of the liabilities ceased to be met by means of contracts or policies with an Insurer, and thereafter as often as the Trustees think necessary but not less frequently than once in any period of three years while the Scheme is in force.
- (3) The Trustees shall also require the Actuary to give such certificates, advice and information relating to the establishment and operation of the Scheme as are required by the Trust Deed and Rules or as are requested by the Trustees or as seem to the Actuary to be requisite or expedient. Every certificate, valuation or report of the Actuary shall be delivered to the Trustees who shall submit a copy thereof to the Principal Employer.

Powers of investment

- 6 (1) Subject to section (5) and section (7) of this clause and to clauses 7 to 12 inclusive, the Relevant Member Trustees shall have power in relation to any moneys which they may from time to time hold for the purposes of the Scheme to invest or apply the same in the purchase of or at interest upon the security of such stocks, funds, shares, securities or other investments or property of whatsoever nature and wheresoever situate whether producing income or not and whether involving liability or not and upon such credit with or without security as the Relevant Member Trustees shall in their absolute discretion think fit to the intent that the Relevant Member Trustees shall have the same full and unrestricted powers of investing and transposing investments in all respects as if they were absolutely entitled thereto beneficially; and without prejudice to the generality of the foregoing provisions the Relevant Member Trustees may invest or apply the said moneys in the investments set out in section (2) of this clause or by effecting with an Insurer annuity or assurance or other contracts or policies providing pensions or other benefits for the purposes of the Scheme payable at an office of the Insurer in the United Kingdom. The Relevant Member Trustees shall not be deemed to guarantee the obligations of the Insurer under any contracts or policies and shall not be liable for any loss arising in connection therewith.

(2) The investments mentioned in section (1) of this clause are -

- (a) stocks, shares, debenture stocks, bearer securities, financial futures, traded options or other investments;
- (b) any interest in land or property (including the carrying out of any building, construction or repair work on or to that land or property which the Relevant Member Trustees consider necessary or desirable);
- (c) units in unit trusts (whether authorised or unauthorised), exempt funds or mutual funds;
- (d) underwriting, sub-underwriting or guaranteeing the subscription of any stocks, shares, debenture stocks or other investments;
- (e) cash or deposits or current account balances with any local authority or bank or building society or finance company at such rate of interest (if any) and upon such terms as the Relevant Member Trustees shall think fit;
- (f) subject to clause 9, loans on such security as the Relevant Member Trustees shall think fit;

whether or not deemed by statute to be investments and whether or not authorised by law for the investment of trust moneys.

- (3) The Relevant Member Trustees may sell or realise or transfer or vary any investment or property whether for the purposes of reinvesting the proceeds in the manner set out in this clause or for other purposes of the Scheme and in connection with the exercise of their investment powers may give any indemnity or receipt or discharge or bind or pledge any part or all of the assets of the Scheme or make any payment or do any act which they consider appropriate.
- (4) Subject to clause 7, the Relevant Member Trustees may whenever they think it desirable so to do raise or borrow any sum or sums of money for the purposes of the Scheme including without prejudice to the foregoing generality to raise or borrow such moneys for the purpose of purchasing or otherwise acquiring any investment or property and may give security for the repayment of such moneys in such manner and upon such terms and conditions as they think fit and in particular by charging or mortgaging all or any part of the assets of the Scheme.

- (5) The Trustees shall invest in contracts or policies written in their name and with an Insurer chosen by the Relevant Member Trustees -
- (a) to secure any Assured Lump Sum, Dependant's Assured Annuity or Dependent Children's Assured Annuity payable on the Member's death in Service;
 - (b) to secure a Member's pension when the first instalment thereof falls due or, subject to clause 12, at a date no later than the date on which such member attains age seventy five;
 - (c) to secure, when the Member's pension is secured or when the Member dies, a ny pension payable as a result of a Member's death which is not then secured by such a contract or policy; and
 - (d) to secure any increase in a pension in course of payment not later than the date on which that increase falls to be paid (or that pension is secured if that is later).
- (6) All or any of the investments of the Scheme may be held in the name of the Relevant Member Trustees, but shall be so held as assets of the Scheme. Notwithstanding any other provision contained in this Deed, the Pensioner Trustee shall be entitled to require that title to or property in any or all of the investments of the Scheme be held in the names of all of the Trustees of the Scheme, as an asset of the Scheme, in which case the Relevant Member Trustees shall take all steps which the Pensioner Trustee indicates are necessary to effect such a transfer, including the execution of any document which the Pensioner Trustee considers appropriate for the purpose.
- (7) In the event that all the Relevant Member Trustees are incapable of acting for any reason the Pensioner Trustee and any Managing Trustees shall be empowered to exercise the investment powers contained in this clause.
- (8) For the avoidance of doubt, clauses 7 to 12 shall apply to any one or more of the Trustees acting by virtue of the powers contained in this clause in the same manner as they apply to all of the Trustees so acting.

Restriction on borrowing

- 7 Subject to clause 12, any power of the Trustees to borrow shall be restricted so that, at the time of any borrowing, the Trustees shall not have borrowed and not repaid an aggregate amount including the amount of that borrowing in excess of the total of -
- (a) three times the Ordinary Annual Contribution; and
 - (b) three times the annual amount of contributions paid or payable as a condition of membership by Scheme Members in the year of assessment ending immediately before the borrowing takes place; and

(c) the amount found by the formula -

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

where -

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

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

Restriction on investments

- 8 (1) The Trustees' powers of investment shall be restricted to preclude investment either directly or indirectly in such property or assets as are specified in section (2) of this clause.
- (2) The property or assets referred to in section (1) of this clause are -
- (a) personal chattels other than choses in action;
 - (b) Residential Property other than that which is, or is to be, occupied -
 - (i) by an employee who is not connected with his or her Participating Employer and who is required as a condition of employment to occupy that property, or
 - (ii) by a person who is neither a Scheme Member nor a person connected with a Scheme Member where that person also occupies connected business premises which are also held by the Trustees as an investment of the Scheme; and
 - (c) stocks or shares in a Private Company which either carry more than thirty per cent of the voting power in the Company, or entitle the holder of them to more than thirty per cent of any dividends declared by the Company in respect of shares of the class held.
- (3) For the purpose of this clause the Trustees shall not be regarded as
- (a) holding a Residential Property where they hold as an investment units in a unit trust scheme -
 - (i) which is an authorised unit trust scheme within the meaning of section 468 (6) of the Act, or
 - (ii) an exempt unit trust within the meaning of section 96 of the Capital Gains Tax Act 1979, and
 - (iii) that unit trust scheme holds Residential Property as an investment.

(b) indirectly holding as an investment Residential Property other than that specified in paragraph (b) of section (2) of this clause where -

(i) they hold as an investment subject to the trusts of the Scheme a right which confers entitlement to receive payment of any rent charge, ground annual, feu duty or other annual payment reserved in respect of, or charged on or issuing out of, that property, and

(ii) the property is not occupied by a scheme member or a person connected with him.

Restrictions on lending

9 (1) The Trustees in that capacity shall not directly or indirectly lend money:

(a) to a Relevant Person or to a person who is connected with a Relevant Person other than a Participating Employer or any Company associated with a Participating Employer; or

(b) to a Participating Employer or a Company associated with a Participating Employer unless the loan is -

(i) utilised for the purposes of the borrower's Business, and

(ii) for a fixed term, and

(iii) at a commercial rate of interest, and

(iv) evidenced by an agreement in writing which contains all the conditions on which it is made and, in particular, the provisions specified in section (2) of this clause.

(2) The provisions specified in this section are that the lending shall be repaid immediately if -

(a) the borrower is in breach of any of the conditions of the agreement; or

(b) the borrower ceases to carry on business; or

(c) the borrower becomes insolvent within the meaning defined for the purposes of regulation 6 of the Retirement Benefit Schemes (Restriction on Discretion to Approve)(Small Self-administered Schemes) Regulations 1991; or

(d) the money is required to enable the Trustees to pay benefits which have already become due under the Scheme.

Limits on self-investment

10 Subject to clause 12, at the time of any lending under clause 9 or the purchase of any shares in the Participating Employer or any company associated with a Participating Employer, the aggregate of -

(a) the amount outstanding of any lending to a Participating Employer and/or a Company associated with a Participating Employer made in accordance with clause 9, and

(b) the market value of stock and shares in a Participating Employer and/or a Company associated with a Participating Employer held by the Trustees in that capacity;

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

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

where -

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

F is the aggregate of any sums borrowed to purchase those assets which are outstanding at that time, and any other liabilities incurred by the Trustees which are outstanding at that time, other than liabilities to pay benefits under the Scheme, and shall not, where that time is during the period of two years from the date on which the Scheme was established, exceed the amount found by the formula -

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

where -

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

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

Restrictions on transactions with Relevant Persons and other persons

- 11 (1) The Trustees in that capacity shall not directly or indirectly purchase, sell or lease any investment or asset from or to a Relevant Person or a person (other than a Participating Employer or a Company associated with a Participating Employer) connected with a Relevant Person. A purchase will not be construed as being an indirect purchase from a Relevant Person or a connected person if at the time of purchase three or more years have elapsed since the investment or asset was owned by the Relevant Person or connected person. A sale will not be construed as an indirect sale to a Relevant Person or a connected person if the purchase by the Relevant Person or connected person takes place three years or more after the sale by the Trustees.
- (2) The Trustees in that capacity shall not directly or indirectly purchase, sell or lease any investment or asset from or to a Participating Employer or a Company associated with a Participating Employer except in accordance with independent professional advice obtained in writing.

Conditions for deferring purchase of a Member's pension

- 12 (1) The Trustees shall have the power to defer the security of the pension for a Pensioner in accordance with paragraph (b) of section (5) of clause 6 so long as the conditions set out in the following sections of this clause are and remain satisfied.
- (2) Where all Members of the Scheme are in receipt of pensions, the Trustees shall not, directly or indirectly, make any new loans to a Participating Employer or any Company associated with a Participating Employer or make any new investments in any stocks or shares in any Private Company following the first payment of pension to the last Member of the Scheme to retire. The Trustees shall ensure the repayment of any existing loan made to a Participating Employer or any Company associated with a Participating Employer and shall realise the value of any stock or shares held in any Private Company within five years of the commencement of pension in respect of the last Member to have retired.
- (3) Where the Scheme has both Members who have not retired and Pensioners, the Actuary shall exclude each Pensioner's actuarial interest in the Fund when determining the proportion and the amount which may be lent to a Participating Employer or any Company associated with a Participating Employer or used to buy stock or shares in any Private Company. Within five years of the commencement of pension to new Pensioners, the Trustees shall ensure that an appropriate proportion of any loan to a Participating Employer or any Company associated with a Participating Employer is repaid and shall ensure an appropriate portion of the value of any stocks and shares held in any Private Company is realised.
- (4) Where, during the period of deferral, investments held for the purposes of the Scheme include real property, the Trustees shall ensure that there are sufficient other readily realisable assets so as to be in a position to purchase a Member's annuity at any time after the Member has attained age seventy.
- (5) The amount of any new borrowing by the Trustees during any period of deferral shall be restricted so that the Pensioner's actuarial interest in the Fund is excluded from the calculation set out in paragraph (c) of clause 7.
- (6) During the period of deferral, and whilst the pension is paid by the Trustees, the Actuary shall certify the amount of pension which can be maintained by the Trustees taking account of -
- (a) any contingent Dependant's pensions payable; and
 - (b) the income and assets of the Scheme, and in particular those liquid assets representing the Pensioner's actuarial interest in the Fund.

The certificate shall compare the pension with the amount of annuity which could, at that time and on the same terms, be secured with the Member's actuarial interest in the Fund. Where the pension and annuity differ by ten per cent or more, the certificate shall include a full explanation.

- (7) A copy of the initial actuarial certificate shall be provided to the Pension Schemes Office with the next actuarial valuation report of the Scheme or earlier on request by the Pension Schemes Office.
- (8) A formal review of the amount of pension payable shall thereafter form part of the Scheme's triennial actuarial reviews; and the renewal certificate shall be supplied to the Pension Schemes Office with the actuarial valuation report.
- (9) The Trustees shall review the suitability of annuity purchase at least on an annual basis and in connection with significant changes in available annuity rates.

Furnishing information and documents to the Board of Inland Revenue

13 (1) Within ninety days of any transaction by the Trustees such as is specified in section (2) of this clause the Administrator will furnish the Board of Inland Revenue with such information and documents as the Board requires.

(2) The types of transaction referred to in section (1) of this clause are -

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

(3) The Trustees shall also furnish the Board of Inland Revenue with such information and documents as the Board may require in connection with any other investment.

Administration

14 (1) The Trustees shall administer the Scheme in accordance with its provisions and shall be responsible for the discharge of all duties imposed on an administrator of a retirement benefits scheme under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 but may appoint someone to perform those duties and may vary that appointment.

(2) The Trustees, or, where applicable, the Relevant Member Trustees, shall meet at such times and at such place as they shall decide and a majority of the Trustees shall form a quorum at a meeting. All the Trustees shall be given reasonable written notice of any meeting of the Trustees, or, where applicable, the Relevant Member Trustees, which is to be held and of any intended decision or other action which is to be taken thereat; and on any matter which concerns directly or indirectly any one or more of the following -

- (a) the commencement or termination of the participation of any employer in the Scheme;
- (b) the investment or realisation of the assets of the Scheme;
- (c) a change in the composition of the Trustees;
- (d) an amendment or addition to the Trust Deed or Rules; and
- (e) the admission to the Scheme of any new member;

the Pensioner Trustee shall be sole judge as to whether the notice given and, in particular, the content and period of that notice was reasonable.

- (3) Where the required notice has been given, then subject to section (4) of clause 16, such decision or other action -
- (a) which is on a matter which concerns directly or indirectly the investment of the assets of the Scheme in terms of clause 6, may only be taken in writing by all the Relevant Member Trustees if the investment concerned is an employer-related investment as defined in section 112 of the Pension Schemes Act 1993, and in respect of any other investment may only be taken by a majority of all the Relevant Member Trustees either in writing or by show of hands at a meeting of the Relevant Member Trustees; and
 - (b) which is on any other matter, may be taken by a majority of all the Trustees agreeing to it either in writing or by show of hands at a meeting of the Trustees.
- (4) Subject to section (4) of clause 16, a resolution in writing signed by all the Trustees, or, where applicable, the Relevant Member Trustees, shall be as effectual as if it had been passed at a meeting of such Trustees and may consist of one or more documents in similar form each signed by one or more of such Trustees:

Provided that where the decision or other action is on a matter which would otherwise have required notice under section (2) of this clause, all the Trustees shall be given reasonable written notice in advance of the effective date and terms of such decision or action. The Pensioner Trustee shall be sole judge as to whether the notice given and, in particular, the content and period of that notice was reasonable.

- (5) The Trustees shall have all the powers and indemnities conferred upon trustees by law and shall not be responsible for any loss resulting from acting bona fide on the advice of any actuary, auditor or solicitor or upon other professional advice whether or not obtained by them; nor shall any of them be liable for any acts or omissions not due to his own wilful act or default. Further, the Trustees shall -
- (a) not be obliged to see that any contribution or other moneys payable to the Trustees under the Scheme are in fact paid;
 - (b) have power to enter into any transaction affecting all or part of the assets of the Scheme with any company or partnership notwithstanding that any of the Trustees or the directors or officers of any corporate body which is a Trustee may be included amongst the directors or officers of the company or the partners of the partnership;
 - (c) have power to enter into any transaction affecting all or part of the assets of the Scheme with any Insurer notwithstanding that any of the Trustees or the directors or officers of any corporate body which is a Trustee may be included amongst the directors or officers of the Insurer.
- (6) Any Trustee shall be entitled to fees or remuneration for services as a Trustee at a rate to be agreed from time to time between the Trustee and the Principal Employer.

Trustees' agents

- 15 (1) The Trustees, or, where the administration relates directly or indirectly to the investment of the assets of the Scheme in terms of clause 6, the Relevant Member Trustees, may appoint an individual or a corporate body or one or more of themselves to act for and on behalf of them in relation to the administration and management of the Scheme (including without prejudice to the generality of the foregoing the investment of the assets of the Scheme, the receipt of payments, drawing and endorsing cheques, and giving receipts and discharges) but subject to such instructions and restrictions as they may specify from time to time, and subject to such persons obtaining the consent in writing of all Relevant Member Trustees before transacting any employer-related investment as defined in section 112 of the Pension Schemes Act 1993, and the Trustees, or, where appropriate, the Relevant Member Trustees, may at any time or times revoke such appointment; and may (with the consent of the Principal Employer) pay such remuneration as they consider appropriate to such appointees and may indemnify them against all or any claims, costs, losses, damages and expenses which they may incur or become liable for in good faith in the discharge of the duties of their appointments.
- (2) Any corporate body appointed in accordance with section (1) of this clause for the purpose of managing the investments of the Scheme may to the extent specified by such appointment make and deal with investments in its own name as nominee for and on behalf of the Relevant Member Trustees and the Relevant Member Trustees may for this purpose enter into any agreement with such corporate body and may bind the assets of the Scheme in respect of any indemnity to give effect thereto.
- (3) The Managing Trustees shall keep proper records and accounts relating to the Scheme and shall cause the accounts to be audited annually; and such records and accounts shall be made available to the Pensioner Trustee on request.
- (4) The Trustees may make such arrangements generally for the convenient administration of their duties as they deem necessary or desirable. With the consent of the Principal Employer they may appoint any persons to act respectively as auditor, solicitor or secretary for the purposes of the Scheme, fix the remuneration of such persons and vary any such appointment, but no person shall be appointed to act as auditor who does not satisfy the requirements of regulation 7(3) of The Occupational Pension Schemes (Disclosure of Information) Regulations 1986.
- (5) A Trustee who is a solicitor, accountant, actuary or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for work done by him or his firm in connection with the Scheme.
- (6) The fees, remuneration and other costs paid or incurred by the Trustees in respect of this clause shall constitute expenses of administration and management of the Scheme.

Powers of amendment

- 16 (1) Subject to the provisions of this clause the Trust Deed and the Rules may be amended or added to and other rules may be substituted for the Rules.
- (2) Amendments and additions to the Trust Deed shall be made by deed between the Principal Employer and the Trustees; and amendments and additions to or substitutions for the General Rules shall be made either by a deed between the Principal Employer and the Trustees or by resolution of the Trustees; but no amendment, addition or substitution made by resolution shall have effect until the Principal Employer has consented to it in writing.

- (3) No amendment or addition to the Trust Deed or the Rules and no substitution for the Rules shall -
- (a) without the consent in writing of the beneficiary diminish any benefit which has become payable before the effective date of the alteration;
 - (b) vary the object of the Scheme set out in section (2) of clause 2 hereof;
 - (c) except with the prior consent of the Board of Inland Revenue authorise payment to any of the Participating Employers of any part of the assets of the Scheme; or
 - (d) alter the provisions of this section in any way which would remove or reduce the restrictions contained herein;

but any alteration which purports to do any of these things shall be void only to that extent:

Provided that nothing in this section shall prohibit the making of any amendment which the Board of Inland Revenue advises is necessary to ensure that the Scheme will be treated by it as an exempt approved scheme within the meaning of section 592(1) of the Income and Corporation Taxes Act 1988.

- (4) No action taken by the Trustees under this clause shall be valid unless it is taken unanimously or is taken by a majority of the Trustees which includes the Pensioner Trustee; and without the consent of the Pensioner Trustee -
- (a) the Scheme hereby established shall not be wound-up or otherwise terminated; and
 - (b) no payment shall be made out of the assets of the Scheme otherwise than in accordance with the Rules.

Pension Sharing on Divorce

- 17 The following rules headed "Model Rules for Pension Sharing on Divorce" are adopted as part of the Rules and, except as otherwise stated, they shall override any inconsistent provision in this Deed and the Rules -

Model Rules for Pension Sharing on Divorce

In these rules, unless otherwise stated, all words have the meanings given to them in the Trust Deed and Rules

PS1

Definitions

"Aggregate Retirement Benefit" has the meaning given to it in Rule 10C.

"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" is 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 for any other reason.

"Lump Sum Retirement Benefit" has the meaning given to it in Rule 10C.

"Negative Deferred Pension" means the amount by which the Member's pension or deferred pension under the Scheme which arose/arises from Service with the Employer(s), is reduced at the Relevant Date by Section 31 of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation, following a Pension Sharing Order, agreement or equivalent provision. For this purpose, Service with 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 Credit" means a credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999 or under corresponding Northern Ireland legislation.

"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 Credit Rights" means rights to future benefits under a scheme which are attributable (directly or indirectly) to a Pension Credit.

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

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

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

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

PS2

Assignment

Section (1) of Rule 11 is amended to permit the assignment of part or all of the Member's retirement benefits or rights to benefits under the Scheme to his/her Ex-Spouse to the extent necessary to comply with the 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.

PS3

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.

PS4

Participation in the Scheme offered to Ex-Spouse either where the requirement in Rule PS3 is satisfied, or where the Ex-Spouse only has Pension Credit Benefits under the Scheme.

The following options will be available to the Ex-Spouse Participant in relation to the Pension Credit Benefit, subject to compliance with Social Security legislation.

- (i) A pension can be paid at the request of the Ex-Spouse Participant at any time between attaining age 50 and 75, or earlier on grounds of Incapacity where he/she is simultaneously taking benefits on incapacity grounds arising from Service as an employee under the Scheme in which the Pension Credit Benefits are held. Additionally a pension not yet in payment may be fully commuted, at any age, on the grounds of exceptional circumstances of serious ill-health. The Ex-Spouse Participant cannot defer commencement of the pension beyond his/her 75th birthday. If he/she is aged 75 or over at the date the Pension Sharing Order is implemented, the pension must come into payment immediately. There is no limit on the amount of the pension. Such a pension should not be commuted, surrendered or assigned except in accordance with the Rules. Such a pension must be payable for life unless it is fully commuted under Rule PS4 (vi), and may be guaranteed.

- (ii) No lump sum may be paid to the Ex-Spouse Participant where the Member (who was formerly married to the Ex-Spouse Participant) has already received a Lump Sum Retirement Benefit from the Scheme before the date of the implementation by the Scheme of the Pension Sharing Order, agreement or equivalent provision.

No lump sum may be paid to the Ex-Spouse Participant where all of the Pension Credit Rights under the Scheme have been transferred into the Scheme with a lump sum nil certificate.

Otherwise the Ex-Spouse Participant may choose to take a lump sum in commutation for part of the pension, at the time the pension first becomes payable. The lump sum is limited to a maximum of 2.25 x the initial annual pension. For this purpose, the initial annual pension should be calculated on the following bases;

- a) if the pension payable for the year changes, the initial pension payable should be taken;
 - b) it should be assumed that the Ex-Spouse Participant will survive for a year;
 - c) the effect of commutation should be ignored.
- (iii) Where the Ex-Spouse Participant dies before benefits come into payment a lump sum death benefit may be paid. This lump sum can be paid to any person at the discretion of the Trustees.

This Deed of Amendment is made on the date entered as the Date of Execution in the Schedule hereto by the person or persons named in the Schedule as the principal employer (hereinafter called the "Principal Employer") of the first part, the person or persons named in the Schedule as the managing trustees (hereinafter with their successors in office called the "Managing Trustees") of the second part and Standard Life Trustee Company Limited, a company having its Registered Office at 30 Lothian Road, Edinburgh (formerly called the "Pensioneer Trustee" but hereinafter with its successors in office called the "Administrator Trustee") of the third part.

Whereas -

- (a) this deed is supplemental to the Deed described in the Schedule as the Principal Deed by which the scheme named in that Schedule ("the Scheme") was established;
- (b) the second and third parties hereto are the present trustees of the scheme;
- (c) it is provided in the Principal Deed that the Principal Employer and the Trustees may amend or add to the Principal Deed and the General Rules of the Scheme and that any such amendment or addition may be made by a deed between the Principal Employer and the Trustees;
- (d) the Principal Employer and the Trustees have agreed that the Principal Deed and the General Rules should be amended and have agreed to do so in this Deed:

Now therefore this deed witnesses and it is hereby declared as follows -

The parties hereto, in exercise of the powers of amendment conferred on them by the Principal Deed and notwithstanding the date hereof hereby amend -

- (i) the Principal Deed with effect from 6 April 2006 by cancelling its entire provisions and substituting therefor the provisions set out in the following clauses of this Deed;
- (ii) the rules annexed to the Principal Deed with effect from 6 April 2006 by replacing them with the General Rules coded SAS71 and any modifications to the rules made by the regulations issued under paragraph 3 of Schedule 36 to the Finance Act 2004 shall no longer take effect from that date, but the General Rules coded SAS71 shall not have effect in respect of a Member who retired or died on or before 5 April 2006:

Provided that any provision under the rules as they applied before 6 April 2000 by which the Trustees could at their discretion pay the benefit in whole or in part to or for the benefit of the beneficiary as a result of bankruptcy or to any other person to which such a payment can be made in terms of section 92(3) of the Pensions Act shall continue to apply.

Interpretation

- 1
- (1) In this Deed unless the context otherwise requires -
 - (a) "Act" means the Finance Act 2004 and any statutory amendment, modification or re-enactment thereof;
 - (b) "General Rules" means the rules annexed to this Deed and bearing for the purpose of identification a docquet subscribed by or on behalf of each of the parties hereto;
 - (c) "Investment Regulations" means The Occupational Pension Schemes (Investment) Regulations 2005;
 - (d) "Pensions Legislation" means the Pensions Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004.
 - (e) "Rules" means the General Rules;
 - (f) "Scheme" means the scheme which is named in the Schedule and the provisions of which are set out in the Trust Deed and the Rules;
 - (g) "Scheme Administrator" means the persons who are responsible for the discharge of the functions conferred or imposed on a scheme administrator of a registered pension scheme under Part 4 of the Act;
 - (h) "Small Scheme" means a scheme that falls within the meaning given by regulation 1(2) of the Investment Regulations;
 - (i) "Sponsoring Employer" shall have the same meaning as in section 150(6) of the Act;
 - (j) "Trustees" means those persons holding office as trustees of the Scheme but only while acting in that capacity.
 - (2) Any question of whether a person is connected with another shall be construed in accordance with section 839 of the Income and Corporation Taxes Act 1988.
 - (3) A Company is associated with a Participating Employer if (directly or indirectly) the Participating Employer controls that Company or that Company controls the Participating Employer or if both are controlled by a third person.
 - (4) For the purposes of this Deed, an investment shall include everything that can be construed as an investment in accordance with section (2) of clause 6 of this Deed.
 - (5) Any other words or expressions which are defined in the Rules have the meanings thereby given to them and the other provisions of the Rules as to interpretation apply also to the interpretation of this Deed.

- (6) Subject to the requirements of the Pensions Legislation, nothing in this Deed or the Rules shall prevent the Trustees giving effect to any transitional provisions and savings permitted under Schedule 36 to the Finance Act 2004 or under regulations made under section 283 of that Act.

Establishment, object and trust fund

- 2
- (1) The Principal Employer covenants to observe and perform such of the provisions of this Deed and of the Rules as are to be observed and performed by it.
 - (2) The object of the Scheme shall be the provision of money purchase benefits as described in section 152 of the Act for or in respect of certain persons who are or have been employed by the Participating Employers or any of them.
 - (3) The Principal Employer and each other Participating Employer shall pay or cause to be paid to the Trustees at least the contributions to be contributed in accordance with the Rules by or in respect of Members in relation to whom it is the Employer, and shall pay the expenses of establishing, administering and managing the Scheme or its share thereof determined in accordance with section (3) of clause 3.
 - (4) The contributions to be paid to the Trustees in accordance with or for the purposes of the Scheme and any transfer values, donations and bequests received for the purposes of the Scheme and all investments for the time being representing the same and all income thereon and all moneys derived therefrom shall constitute a fund vested in the Trustees upon irrevocable trust to be held, applied and disposed of for the purposes of the Scheme in accordance with its provisions.

Participating employers

- 3
- (1) If the business or assets (or any substantial part of the business or assets) of the Principal Employer is absorbed in the business of or acquired by any other employer and such employer in anticipation of or on or within 12 months after such absorption or acquisition enters into a formal agreement with the Trustees undertaking to perform all the obligations of the Principal Employer under the Trust Deed and Rules, the Scheme shall continue in operation and the Trust Deed and Rules shall as from the date of such absorption or acquisition have effect *mutatis mutandis* as though such other employer had participated in the original establishment of the Scheme and been a party to the Trust Deed in the place of the Principal Employer and the expression "Principal Employer" as used throughout the Trust Deed and Rules shall thenceforth mean such other employer.
 - (2) The Principal Employer may with the written consent of the Trustees permit any employer associated with the Principal Employer to participate in the Scheme subject to the condition that such employer executes a deed or other instrument undertaking to comply with and be bound by the provisions of the Scheme.

- (3) Expenses incurred in connection with the establishment, administration and management of the Scheme shall be paid by the Participating Employers in the same proportions as the amounts to be contributed by them or in such other proportion as the Principal Employer may decide from time to time. Any expenses not paid by the Participating Employers may be met by the Trustees out of the Fund.

The Trustees

- 4
- (1) Any of the Managing Trustees may resign from office at any time if he gives the Principal Employer one month's notice in writing of his intention so to do and Upon the expiry of the notice, the Managing Trustee shall be discharged as a Trustee without the necessity of any written discharges.
- (2) The Principal Employer may by deed remove any of the Managing Trustees from office and may by deed appoint any person to be one of the Managing Trustees in place of one who has died or resigned or been removed from office or become unfit or incapable of acting for any reason or as an additional Managing Trustee.
- (3) The Administrator Trustee may resign from office at any time (irrespective of any person succeeding it as Trustee or Administrative Trustee) by giving the Principal Employer one month's notice in writing of its intention so to do and the Principal Employer may by deed remove the Administrator Trustee from office after giving to the Administrator Trustee one month's notice in writing of its intention so to do and the Administrator Trustee shall be discharged as a Trustee without the necessity of any written discharges.

The Actuary

- 5
- (1) The Trustees shall appoint to act as the Actuary of the Scheme a Fellow of the Institute of Actuaries or of the Faculty of Actuaries in Scotland. Alternatively, they may enter into an agreement with a partnership of such persons or a corporate body undertaking to provide the services of such a person and, if they do so, the person provided shall be deemed to have been appointed under this clause. The Trustees may remove the Actuary and appoint another to fill the vacancy and may fix the remuneration of the Actuary.
- (2) Where, at any given time, the Trustees have not arranged for all their liabilities under the Rules to be met by means of contracts or policies with an Insurer, the Trustees may require the Actuary to make a valuation and report upon the adequacy of the Fund at the commencement of the Scheme or, if later, the date on which all of the liabilities ceased to be met by means of contracts or policies with an Insurer, and thereafter as often as the Trustees think necessary.

- (3) The Trustees shall also require the Actuary to give such certificates, advice and information relating to the establishment and operation of the Scheme as are required by the Trust Deed and Rules or as are requested by the Trustees or as seem to the Actuary to be requisite or expedient. Every certificate, valuation or report of the Actuary shall be delivered to the Trustees who shall submit a copy thereof to the Principal Employer.

Powers of investment

- 6 (1) Subject to sections (5) and (6) of this clause and clauses 7 to 12 inclusive, the Trustees shall have power in relation to any moneys which they may from time to time hold for the purposes of the Scheme to invest or apply the same in the purchase of or at interest upon the security of such stocks, funds, shares, securities, contracts and policies with an Insurer or other investments or property of whatsoever nature and wheresoever situate whether producing income or not and whether involving liability or not and upon such credit with or without security as the Trustees shall in their absolute discretion think fit to the intent that the Trustees shall have the same full and unrestricted powers of investing and transposing investments in all respects as if they were absolutely entitled thereto beneficially; and without prejudice to the generality of the foregoing provisions the Trustees may invest or apply the said moneys in the investments set out in section (2) of this clause.

- (2) The investments mentioned in section (1) of this clause are -

- (a) stocks, shares, debenture stocks, bearer securities, financial futures, traded options or other investments;
- (b) any interest in land or property (including the carrying out of any building, construction or repair work on or to that land or property which the Trustees consider necessary or desirable);
- (c) units in unit trusts (whether authorised or unauthorised), exempt funds or mutual funds;
- (d) underwriting, sub-underwriting or guaranteeing the subscription of any stocks, shares, debenture stocks or other investments;
- (e) cash or deposits or current account balances with any local authority or bank or building society or finance company at such rate of interest (if any) and upon such terms as the Trustees shall think fit;
- (f) subject to clause 9, loans on such security as the Trustees shall think fit;
- (g) annuity or assurance or other contracts or policies providing pensions or other benefits for the purposes of the Scheme payable at an office of an Insurer in the United Kingdom;

whether or not deemed by statute to be investments and whether or not authorised by law for the investment of trust moneys.

- (3) The Trustees may sell or realise or transfer or vary any investment or property whether for the purposes of reinvesting the proceeds in the manner set out in this clause or for other purposes of the Scheme and in connection with the exercise of their investment powers may give any indemnity or receipt or discharge or bind or pledge any part or all of the assets of the Scheme or make any payment (including the payment of insurance premiums) or do any act which they consider appropriate.
- (4) Subject to clause 7, the Trustees may raise or borrow any sum or sums of money for the purposes of the Scheme including without prejudice to the foregoing generality raising or borrowing such moneys for the purpose of purchasing or otherwise acquiring any investment or property and may give security for the repayment of such moneys in such manner and upon such terms and conditions as they think fit and in particular by charging or mortgaging all or any part of the assets of the Scheme.
- (5) The Trustees shall invest in contracts or policies with an Insurer chosen by the Trustees to secure any Assured Lump Sum, Dependant's Assured Annuity or Dependent Children's Assured Annuity payable on the Member's death in Service.
- (6) The Trustees may appoint a person to act as their nominee in relation to such of the assets of the Scheme as they determine and take such steps as are necessary to secure that those assets are vested in that person.

Restrictions on borrowing

- 7 Any power of the Trustees to borrow shall be limited to the amount that they are authorised to borrow under section 182 of the Act and, unless the Scheme is a Small Scheme, shall be subject to the restrictions on borrowing and providing guarantees in respect of the obligations of another person as set out in the Investment Regulations.

Restriction on investments

- 8 The Trustees' powers of investment shall be restricted to preclude investment in any assets that are classed as "taxable property" for the purposes of Part 4 of the Act and the acquisition, improvement, conversion or adaptation of which would give rise to an unauthorised payment charge under section 208 or a scheme sanction charge under section 239 of the Act.

Restrictions on lending

- 9 (1) The Trustees' power to lend money shall be restricted to preclude any lending that would result in a Member or the Sponsoring Employer incurring a liability to an unauthorised payment charge under section 208 of the Act.

- (2) Section (1) of this clause shall not prevent the Trustees retaining –
- (a) a loan to or in respect of a Sponsoring Employer that was made before 6 April 2006 and there has been no alteration in the repayment terms; or
 - (b) a loan that satisfied the conditions for treatment as an authorised employer loan for the purposes of section 179 of the Act at the time that it was made but a liability to an unauthorised payment charge was incurred at a later date.
- (3) Unless the Scheme is a Small Scheme, the Trustees shall, in exercising their powers to lend money, comply with the terms of section 40 of the Pensions Act 1995 (Restriction on employer-related investments).

Limits on self-investment

- 10
- (1) The Trustees' power to acquire shares in a Sponsoring Employer shall be restricted to exclude any acquisition that would not be a 'scheme administration employer payment' within the meaning of section 180 of the Act.
 - (2) Unless the Scheme is a Small Scheme, the Trustees shall, in exercising their powers to acquire shares issued by a Sponsoring Employer or any person which is connected with, or an associate of, a Sponsoring Employer, comply with the terms of section 40 of the Pensions Act 1995 (Restriction on employer-related investments).

Restrictions on transactions with connected persons

- 11
- The Trustees may, in the exercise of their powers of investment under clause 6, enter into transactions with –
- (a) a Member;
 - (b) a Sponsoring Employer; or
 - (c) any person connected with a Member or Sponsoring Employer;
- notwithstanding that one or more of their number may have an interest in that transaction provided that the Trustees do so on terms that might be expected if the parties to the transaction were at arm's length.

Administration

- 12
- (1) The Trustees shall administer the Scheme in accordance with its provisions and shall be responsible for the discharge of all duties imposed on a Scheme Administrator of a Registered Pension Scheme under Part 4 of the Act unless they appoint someone to perform those duties and that person has not resigned from that role or had their appointment revoked by the Trustees. Where the Trustees appoint someone else to perform the duties of Scheme Administrator, the Trustees shall disclose to that person such information as that person requires to perform the duties of a Scheme Administrator.
 - (2) The Trustees shall meet at such times and at such place as they shall decide. All the Trustees shall be given reasonable written notice of any meeting of the Trustees which is to be held and of any intended decision or other action which is to be taken thereat; and on any matter which concerns directly or indirectly any one or more of the following -
 - (a) the commencement or termination of the participation of any employer in the Scheme;
 - (b) the investment or realisation of the assets of the Scheme;
 - (c) a change in the composition of the Trustees;
 - (d) an amendment or addition to the Trust Deed or Rules; and
 - (e) the admission to the Scheme of any new member;the Administrator Trustee shall be sole judge as to whether the notice given and, in particular, the content and period of that notice was reasonable.
 - (3) Where the required notice has been given, then subject to section (4) of clause 14, such decision or other action may be taken by a majority of all of the Trustees agreeing to it either in writing or by show of hands at a meeting of the Trustees:

Provided that –

 - (i) all Managing Trustees who are members (as defined in section 124 of the Pension Act 1995) must agree to every decision or action;
 - (ii) where there is only one Managing Trustee, an investment decision may be taken by that Trustee and the Administrator Trustee, if it does not exercise the veto contained in paragraph (iii) of this proviso, shall be bound by that decision;
 - (iii) the Administrator Trustee shall have a veto over any proposed investment decision that may result in the Trustees incurring a liability that could not be reimbursed from the fund.
 - (4) Subject to section (4) of clause 14, a resolution in writing signed by a majority of the Trustees shall be as effectual as if it had been passed at a meeting and may consist of one or more documents in similar form each signed by one or more Trustees:

Provided that where the decision or other action is on a matter which would otherwise have required notice under section (2) of this clause, all the Trustees shall be given reasonable written notice in advance of the effective date and terms of such decision or action. The Administrator Trustee shall be sole judge as to whether the notice given and, in particular, the content and period of that notice was reasonable.

- (5) The Trustees shall have all the powers and indemnities conferred upon trustees by law and shall not be responsible for any loss resulting from acting bona fide on the advice of any actuary, auditor or solicitor or upon other professional advice whether or not obtained by them; nor shall any of them be liable for any acts or omissions not due to his own wilful act or default. The Administrator Trustee shall not be liable for any loss arising from any investment made in accordance with the instructions of the Managing Trustees or from their refusal to consent to an investment in terms of paragraph (ii) of the proviso to section (3) of this clause. Further, the Trustees shall -
- (a) have power to enter into any transaction affecting all or part of the assets of the Scheme with any company or partnership notwithstanding that any of the Trustees or the directors or officers of any corporate body which is a Trustee may be included amongst the directors or officers of the company or the partners of the partnership;
 - (b) have power to enter into any transaction affecting all or part of the assets of the Scheme with any Insurer notwithstanding that any of the Trustees or the directors or officers of any corporate body which is a Trustee may be included amongst the directors or officers of the Insurer.
- (6) Any Trustee shall be entitled to fees or remuneration for services as a Trustee at a rate to be agreed from time to time between the Trustee and the Principal Employer but no such payment to a Trustee who is a Member or who is connected (within the meaning of section 839 of the Income and Corporation Taxes Act 1988) shall be agreed at a rate other than such as might be paid to a person who was at arms length or such as would give rise to an unauthorised member payment as defined in section 160(2) of the Act by exceeding the amount that can be paid as a scheme administration member payment for the purposes of section 164(d) of the Act.

Trustees' agents

- 13
- (1) The Trustees may appoint an individual or a corporate body or one or more of themselves to act for and on behalf of them in relation to the administration and management of the Scheme (including without prejudice to the generality of the foregoing the investment of the assets of the Scheme, the receipt of payments, drawing and endorsing cheques, and giving receipts and discharges) but subject to such instructions and restrictions as they may specify from time to time and the Trustees may at any time or times revoke such appointment; and may (with the consent of the Principal Employer) pay such remuneration as they consider appropriate to such appointees and may indemnify them against all or any claims, costs, losses, damages and expenses which they may incur or become liable for in good faith in the discharge of the duties of their appointments.
 - (2) Any corporate body appointed in accordance with section (1) of this clause for the purpose of managing the investments of the Scheme may to the extent specified by such appointment make and deal with investments in its own name as nominee for and on behalf of the Trustees and the Trustees may for this purpose enter into any agreement with such corporate body and may bind the assets of the Scheme in respect of any indemnity to give effect thereto.
 - (3) The Trustees shall keep proper records and accounts relating to the Scheme and, where they are required to do so under section 41 of the Pensions Act 1995 or the Scheme is a Small Scheme but the Administrator Trustee so requires, shall cause the accounts to be audited annually; and such records and accounts shall be made available to the Administrator Trustee on request.
 - (4) The Trustees may make such arrangements generally for the convenient administration of their duties as they deem necessary or desirable. They may appoint any persons to act respectively as auditor, solicitor or secretary for the purposes of the Scheme, fix the remuneration of such persons and vary any such appointment, but no person shall be appointed to act as auditor who would not satisfy prescribed requirements laid down in regulations made under section 47(5)(b) of the Pensions Act 1995 or who would be ineligible to act as auditor under section 27(1) of that Act.
 - (5) A Trustee who is a solicitor, accountant, actuary or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for work done by him or his firm in connection with the Scheme.

- (6) The fees, remuneration and other costs paid or incurred by the Trustees in respect of this clause shall constitute expenses of administration and management of the Scheme.

Powers of amendment

- 14 (1) Subject to the provisions of this clause the Trust Deed and the Rules may be amended or added to and other rules may be substituted for the Rules.
- (2) Amendments and additions to the Trust Deed shall be made by deed between the Principal Employer and the Trustees; and amendments and additions to or substitutions for the General Rules shall be made either by a deed between the Principal Employer and the Trustees or by resolution of the Trustees; but no amendment, addition or substitution made by resolution shall have effect until the Principal Employer has consented to it in writing:

Provided that, where the Principal Employer is in liquidation or has been liquidated, amendments and additions to or substitutions for the Trust Deed and the General Rules may be made by resolution of the Trustees.

- (3) No amendment or addition to the Trust Deed or the Rules and no substitution for the Rules shall -
- (a) be made which would or might affect any subsisting right (as defined for the purposes of Part I of the Pensions Act 1995) unless either -
 - (i) the requirements under section 67 of that Act are met; or
 - (ii) those requirements do not apply as the power of amendment is being exercised in a manner prescribed by regulations issued under that section;
 - (b) vary the object of the Scheme set out in section (2) of clause 2 hereof;
 - (c) except to the extent already authorised or to any further extent that may by law be authorised, authorise payment to any of the Participating Employers of any part of the assets of the Scheme; or
 - (d) alter the provisions of this section in any way which would remove or reduce the restrictions contained herein;

but any alteration which purports to do any of these things shall be void only to that extent:

Provided that nothing in this section shall prohibit the making of any amendment which is necessary to ensure that the Scheme will be treated by HM Revenue & Customs as a Registered Pension Scheme within the meaning given to that expression by section 150(2) of the Act.

- (4) No action taken by the Trustees under this clause shall be valid unless it is taken unanimously; and without the consent of the Administrator Trustee -
- (a) the Scheme hereby established shall not be wound-up or otherwise terminated; and
 - (b) no payment shall be made out of the assets of the Scheme otherwise than in accordance with the Rules.

Governing law

- 15 The Trust Deed and Rules are governed by -
- (a) the law of England if the registered office of the Principal Employer is located in England or Wales on the Starting Date;
 - (b) the law of Northern Ireland if the registered office of the Principal Employer is located in Northern Ireland on the Starting Date;
 - (c) the law of Scotland in any other circumstances.

Schedule

Date of Execution 23/06/06

Principal Employer's Name and Address

Co. Reg. No. 2235779

Vortex Designs Limited
1 Park Place
Canary wharf
London
E14 4HJ

Managing Trustees' Full Names and Addresses

Michael R Tozer
15 Falconers Field
Harpenden
Herts
AL5 3EU

Name of Scheme

Vortex Designs SSAS

Principal Deed

27 July 2001

In witness whereof this Deed has been executed on the Date of Execution as follows -

Executed as a deed by the Principal Employer


Director - Michael R Tozer



Director/Secretary Denise A Tozer

DA Tozer

Signed as a deed and delivered by David Darnic a duly authorised
Attorney of Standard Life Trustee Company Limited pursuant to a Power of Attorney
dated 30/11/05 in the presence of


.....
(Signature of Witness)

Full name DAN THOMAS



Attorney

JAMES HAY PENSION TRUSTEES LIMITED
Address ROWANMOOR HOUSE
46-50 CASTLE STREET
SALISBURY, WILTS. SP1 3TS
Occupation Tel: 01722 338333

Signed as a deed and delivered by the said

..... Michael R Tozer

(Name of Managing Trustee)

(Signature)

in the presence of


.....
(Signature of Witness)

Full Name CATHERINE WHITE

Address 20 THE PUTTERILLS
HARPENDEN HERTS
AL5 4DZ

Occupation ADMINISTRATION