

(1)SAMUEL SHELDON LIMITED

- and-

**(2)GEORGE RICHARD SHELDON
PATRICIA ANNE SHELDON
TAYLOR PATTERSON TRUSTEES LIMITED**

DEFINITIVE TRUST DEED AND RULES
governing

**SAMUEL SHELDON LIMITED (1982)
PENSION FUND**

DATE :

2012

CONTENTS

1.	TRUST	1
2.	DEFINITIONS	1
3.	MEMBERSHIP	7
4.	CONTRIBUTIONS.....	7
5.	MEMBERS' PENSIONS	8
6.	OTHER RETIREMENT OPTIONS	8
7.	LUMP SUM DEATH BENEFITS	9
8.	DEPENDANTS' PENSIONS	10
9.	EARLY LEAVERS.....	10
10.	NO SCHEME CHARGEABLE PAYMENTS/MEMBER ELECTIONS	10
11.	TRANSFERS	10
12.	BENEFITS - SUPPLEMENTARY PROVISIONS	11
13.	PENSION SHARING ON DIVORCE.....	13
14.	UNALLOCATED OR SURPLUS FUNDS	14
15.	INVESTMENT	14
16.	CO-OWNERSHIP OF SCHEME ASSETS	16
17.	TRUSTEES' DECISIONS.....	17
18.	EXONERATION AND INDEMNITY	19
19.	FEES AND EXPENSES	20
20.	MISCELLANEOUS.....	20
21.	SCHEME RECORDS	21
22.	EMPLOYERS	21
23.	TERMINATION	22
24.	ALTERATIONS	23
25.	PERPETUITY	23
26.	INTERPRETATION.....	23
	SCHEDULE: PENSION SHARING ON DIVORCE (RULE 13).....	26

THIS DEFINITIVE TRUST DEED AND RULES is made on

BETWEEN:

- (1) **SAMUEL SHELDON LIMITED** (company number 00519884) whose registered office is at Lapstone Road, Millom, Cumbria LA18 4BZ ("**Principal Company**"); and
- (2) **GEORGE RICHARD SHELDON** and **PATRICIA ANNE SHELDON** both of 48 Salthouse Road, Millom, Cumbria LA18 5AF and **TAYLOR PATTERSON TRUSTEES LIMITED** (company number 02035095) whose registered office is at Lanson House, Winckley Gardens, Mount Street, Preston, Lancashire PR1 8RY ("**Trustees**").

BACKGROUND

- A **THIS DEED** is supplemental to (amongst other documents) a trust deed and rules ("**Existing Rules**") dated 28th August 2009 establishing a pension scheme known as **SAMUEL SHELDON LIMITED (1982) PENSION FUND** ("**Scheme**").
- B The Trustees are the present Trustees of the Scheme.
- C The current principal employer in relation to the Scheme is **SAMUEL SHELDON LIMITED** (company number 00519884) whose registered office is at Lapstone Road, Millom, Cumbria LA18 4BZ ("**Principal Company**").
- D The amendment power contained in the Existing Provisions (as defined below) remains in place. In accordance with that amendment power the Trustees wish to repeal the Existing Rules and adopt the following rules as new rules to govern the Scheme in place of the Existing Rules, save that the amendment power will continue in force.
- E Taylor Patterson Trustees Limited shall be the Professional Trustee and sole Scheme Administrator of the Scheme.

OPERATIVE PROVISIONS

Subject to Rule 24 below, the provisions of all Deeds, Rules and (if any) analogous documents in relation to the Scheme heretofore in force ("**Existing Provisions**") are hereby repealed and the Scheme shall with effect from be governed by the following Rules:

1. TRUST

The Trustees accept appointment as trustees of the Scheme and will hold all sums and assets they receive, property representing them and income on irrevocable trust to pay the benefits of, and otherwise comply with, the Scheme. Taylor Patterson Trustees Limited shall be the Scheme Administrator and Professional Trustee unless replaced in accordance with the rules of the Scheme.

2. DEFINITIONS

In this Deed (unless the context otherwise requires):

"Accumulated Contributions" means any contributions paid by the Member (including any part of a receipt under Rule 11.4 representing such contributions) plus compound interest thereon at such rates as the Trustees may from time to time determine;

"Actuarial Advice" means advice of (or of a firm or company providing the services of) a Fellow of the Institute and Faculty of Actuaries who (or whose firm or company) is appointed by the Trustees;

"Actuary" means the actuary for the time being appointed to give Actuarial Advice;

"Annuity Protection Lump Sum Death Benefit" has the same meaning as in paragraph 16 of schedule 29 of the Finance Act;

"Authorised Surplus Payment" has the same meaning as in section 177 of the Finance Act;

"Beneficiary" means any person who may benefit in respect of any membership of the Scheme;

"Charity Lump Sum Death Benefit" has the same meaning as in paragraph 18 of schedule 29 to the Finance Act;

"Company" means any body corporate or unincorporated association, but does not include a partnership;

"this Deed" this includes any alterations hereof for the time being in force;

"Default Event" means:

- (a) the making of an order or the passing of a resolution for the winding up of the Principal Company; or
- (b) the appointment of a receiver or administrator in respect of the Principal Company or any of its assets; or
- (c) a majority of the shares of the Principal Company carrying a vote on any matter in general meeting coming (in the opinion of the Trustees) under the direct or indirect control of any person or persons not able to control such a majority on the date of this Deed save that if this results only from the first offer for sale to the public of shares in the Principal Company this definition shall not apply;

"Dependant" has the same meaning as in paragraph 15 of schedule 28 to the Finance Act;

"Drawdown Pension" has the same meaning as in paragraph 4 of schedule 28 to the Finance Act. A Drawdown Pension shall be either capped or, where the Scheme Administrator is satisfied that the Member's Arrangement meets the Flexible Drawdown Conditions, uncapped;

"Drawdown Pension Fund Lump Sum Death Benefit" has the same meaning as in paragraph 17 of schedule 29 to the Finance Act;

"Eligible Recipients" in relation to a person are on the basis of reasonable enquiries made by the Trustees his Spouse, his grandparents, such grandparents' descendants, such descendants' Spouses, his Dependants, persons interested in his estate and persons or unincorporated associations whom or that he has nominated to the Trustees in writing;

"Employee" means an employee of an Employer (including a director of an Employer who retains his remuneration from that Employer for his own benefit and not as income taxable as the receipts of a profession);

"Employer" means the Principal Company and any employer for the time being participating in the Scheme under Section 22;

"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:

- (a) solely for the provision of a Pension Credit Benefit; or
- (b) 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;

"Finance Act" means the Finance Act 2004 as amended from time to time;

"Flexible Drawdown Conditions" means the conditions set out in section 165(3B) of the Finance Act;

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

"Ill Health Condition" has the same meaning as in paragraph 1 of schedule 28 to the Finance Act ;

"Income Withdrawal" has the same meaning as in paragraph 7 of schedule 28 to the Finance Act;

"Insurance Policy" means an annuity contract or policy with an insurance company which contains such limitations on benefits and dealings as will ensure that no Scheme Chargeable Payment is made;

"Lifetime Annuity" has the same meaning as in paragraph 3 of schedule 28 to the Finance Act;

"Lump Sum Death Benefit Rules" has the same meaning as in section 168 of the Finance Act;

"Lump Sum Rule" has the same meaning as in section 166 of the Finance Act;

"Member" means a person who has joined the Scheme under Section 3 or under any previous corresponding provisions of the Scheme or an Ex-Spouse Participant;

"Member's Fund" of a Member means that part of the assets of the Scheme which is for the time being certified by the Trustees as being attributable to him and for this purpose, and subject to any adjustment the Trustees consider appropriate:

- (a) Contributions made by or in respect of him, receipts in respect of him under Rule 11.4 (subject to any specific benefit allocation thereunder), proceeds of any insurance relating to him and any augmentation of the relevant Member's Fund under Rule 14.3.1 will be included;
- (b) Where any Employer's contribution is not allocated by the Employer between the relevant Members when it is made, such allocation shall (as soon as practicable after the contribution is made) be determined by the Trustees so as to provide the

relevant Members with equivalent expectations from that contribution having regard to their respective age, Service, remuneration and Normal Pension Age;

- (c) The cost of providing or securing any benefits for him or in relation to his membership (including insurance premiums paid), any payment in respect of him under Rule 12.5, and any surplus of the relevant Member's Fund applied, paid or transferred under Rule 14.3 will be deducted;
- (d) The Trustees may in their absolute discretion notionally allocate or reallocate by addition or subtraction (on the basis of such valuations as the Trustees think fit) either:
 - (i) a due proportion of all income, gains or losses (whether or not realised and taking account of related expenses) of the Scheme, or so much of it as is not for the time being attributable to any segregated Member's Fund under Rule 4.2 below; or
 - (ii) if with the Member's consent his Member's Fund shall have been segregated by the Trustees from the remainder of the Scheme, the whole of the income, gains or losses (whether or not realised and taking account of related expenses) of his segregated Member's Fund;
- (e) There shall be deducted any Tax due in respect of any of the benefits in respect of the Member under the Scheme;
- (f) A due proportion of any other expenses borne by the Scheme will be deducted such sum to be determined by the Trustees;
- (g) Any segregation of one or more Member's Funds under (d) above is notional and for the purpose of benefit calculation only and is without prejudice to the fact that all Beneficiaries have a full claim on all the assets of the Scheme (other than any deriving from voluntary contributions under Rule 4.3 which have been segregated from the common fund) as a common fund for the provision of benefits;
- (h) Any allocation of contributions, assets, income, gains or losses provided for in (a) to (g) above is subject to any reallocation of contributions, assets, income, gains or losses which the Trustees may from time to time in their absolute discretion consider to be appropriate and is subject in particular to any reduction in a Member's Fund, (including, if appropriate, to nil and including where there is only one Member) which the Trustees consider in their absolute discretion to be appropriate, in order to comply with the requirements of the Occupational Pension Schemes (Transfer Values) Regulations 1996 and Actuarial Guidance Note GN11 as both amended from time to time or otherwise, subject to the prior written consent of the Member or Members concerned;
- (i) There shall be deducted any Pension Debit arising as a result of a Pension Sharing Order;
- (j) There shall be deducted the value of any excess rights which are surrendered by the Members under paragraph 12(5) of schedule 36 to the Finance Act;

"Normal Pension Age" means such age (which will not less than the earlier of 55 and the Member's Protected Pension Age) (if any) as is notified by the Principal Company to the Member when he joins the Scheme;

"Pension Credit" means a credit under section 29(1)(b) of the 1999 Act 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 Date" means, in relation to all or any part of a Member's pension under the Scheme, the Member's Normal Pension Age unless he elects either:

- (a) for a later date (including a date after the Member attains age 75) on which his pension is to begin; or
- (b) for an earlier date on which his pension is to begin and is (unless through Incapacity) not earlier than age 55; or
- (c) the Member's Protected Pension Age (if any);

"Pension Death Benefit Rules" has the same meaning as in section 167 of the Finance Act;

"Pension Debit" means a debit under section 29(1)(a) of the 1999 Act or under corresponding Northern Ireland legislation;

"Pension Debit Member" means a Member whose benefits under the Scheme have been permanently reduced by a Pension Debit;

"Pension Rules" has the same meaning as in section 165 of the Finance Act;

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

"Pensionable Service" has the meaning ascribed to it by section 70(2) of the 1993 Act;

"Pensioner" means a Member whose pension has started;

"Preservation Provisions" means the legislation for the time being in force relating to preservation, first introduced by the Social Security Act 1973 and now applicable under the 1993 Act;

"Principal Company" means the Principal Company named above or such other Employer as may for the time being be Principal Company by virtue of Rule 22.4;

"Professional Trustee" means the person or body (if any) appointed to be a professional trustee for the purposes of this Deed for so long as that company is a professional trustee of the Scheme;

"Protected Pension Age" has the same meaning as in paragraphs 21 to 23 of schedule 36 to the Finance Act;

"Qualifying Recognised Overseas Pension Scheme" has the same meaning as in section 169(2) of the Finance Act;

"Qualifying Service" means Service as a Member plus service pensionable under any scheme from which assets have (directly or via an annuity contract or policy) been received for the Member under Rule 11.5; however no period will count twice and service before a break exceeding one month will be disregarded if a refund under Section 9 or payment under Rule 11.1 or 11.2 or of a cash equivalent as referred to in Rule 11.5 has been made for that service unless either continuity is required under Part VIII of the Employment Rights Act 1996 (and the Member is in Service at some time during the month after returning to work) or the break corresponds to the Member's absence from work in furtherance of a trade dispute (as defined in section 27(3)(b) of the Social Security Contributions and Benefits Act 1992);

"Recognised Transfer" has the same meaning as in section 169 of the Finance Act;

"Registered Scheme" means a registered pension scheme within the meaning of the Finance Act;

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

"Rule" means a sub-clause within a Section;

"Scheme Administration Member Payments" has the same meaning as in section 171 of the Finance Act;

"Scheme Administrator" has the same meaning as in sections 270 to 274 of the Finance Act;

"Scheme Chargeable Payment" has the same meaning as in section 241 of the Finance Act;

"Scheme Pension" has the same meaning as in paragraph 2 of schedule 28 to the Finance Act;

"Scheme Sanction Charge" has the same meaning as in section 239 of the Finance Act;

"Section" means a clause of this Deed;

"Serious Ill Health" means ill-health which is such as to give rise to a life expectancy of less than one year;

"Service" means employment by any Employer;

"Short Service Refund Lump Sum" has the same meaning as in paragraph 5 of schedule 29 to the Finance Act;

"Spouse" means a widow or widower;

"Tax" means any tax, charge, imposition, duty, levy, excise duty, national insurance contribution, surcharge, rate or penalty whatsoever (without limitation) which may be imposed by Her Majesty's Treasury, HMRC or by any other body;

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

"Trivial" means having a value not greater than £18,000 or such other amount as may for the time being be prescribed by HMRC for the purpose;

"Trivial Commutation Lump Sum Death Benefit" has the same meaning as in paragraph 20 of schedule 29 to the Finance Act;

"Trustees" means initially those named above and thereafter the Trustees for the time being of the Scheme;

"Uncrystallised Funds Lump Sum Death Benefit" has the same meaning as in paragraph 15 of schedule 29 to the Finance Act;

"Winding-up Lump Sum Death Benefit" has the same meaning as in paragraph 21 of schedule 29 to the Finance Act;

"1993 Act" means the Pension Schemes Act 1993;

"1995 Act" means the Pensions Act 1995;

"1999 Act" means the Welfare Reform and Pensions Act 1999

3. MEMBERSHIP

- 3.1 Every person who is invited by the Principal Company may join the Scheme (or, if so invited, resume Membership) by completing an application in the form required by the Trustees.
- 3.2 Membership of the Scheme shall be open to persons that are not resident in the United Kingdom who are chargeable to United Kingdom Tax provided that their admission to Membership would not prejudice the continued status of the Scheme as a Registered Scheme and would not lead to a Scheme Chargeable Payment being made from the Scheme.
- 3.3 In the event of a person ceasing to satisfy the eligibility conditions in Rule 3.2, his/her benefits will be held subject to this Deed but no further contributions may be made to the Scheme in respect of him/her.

4. CONTRIBUTIONS

- 4.1 Each Member will contribute, or have contributions paid in respect of him to the Scheme, at such rate (if any) as he from time to time may decide.
- 4.2 Each Employer will contribute (in respect of Members who are or were its Employees) amounts from time to time determined by the Principal Company. The Trustees shall secure, prepare and from time to time revise a payment schedule made to the Scheme in accordance with section 87 of the 1995 Act (where this section is applicable).
- 4.3 A Member may make voluntary contributions to secure additional benefits.
- 4.4 Each Member's contributions may be deducted by his Employer from earnings and paid to the Trustees.