

8. DEPENDANTS' PENSIONS

Following the death of a Member, the Trustees may pay pensions to or for the benefit of one or more persons, each of whom is a Dependant of the Member, which are permitted by the Pension Death Benefit Rules or by regulations made under section 164 of the Finance Act or otherwise permitted by HMRC, provided that no Scheme Chargeable Payment may be made from the Scheme. Each such pension will start on the Member's death or such other date as the Dependant may elect and will be subject to deduction of Tax. The amount of each such pension will be determined by the Trustees on Actuarial Advice and will depend on the value of, and not be more than that which is capable of being provided by, the relevant Member's Fund. The Trustees may provide benefits under this Section by means of one or more Insurance Policies.

9. EARLY LEAVERS

A Member who leaves Pensionable Service with less than two years' Qualifying Service may take a Short Service Refund Lump Sum in which case Rule 12.1 will apply and Section 14 will apply to any balance of his Member's Fund remaining. A Member who leaves Pensionable Service with three months' Qualifying Service or more may request from the Trustees that a transfer value in respect of his Accumulated Contributions (if any, and limited to his Member's Fund) be paid in respect of him by way of a Recognised Transfer.

10. NO SCHEME CHARGEABLE PAYMENTS/MEMBER ELECTIONS

- 10.1 The Scheme is a Registered Scheme. Accordingly no Scheme Chargeable Payment may be made from this Scheme and the Scheme will be subject to all limits and conditions imposed by HMRC as a condition of being a Registered Scheme.
- 10.2 Any Beneficiary may elect for fixed protection under and in accordance with paragraph 14 of schedule 18 to the Finance Act 2011.

11. TRANSFERS

- 11.1 Provided that no Scheme Chargeable Payment may be made from the Scheme, the Trustees may subject to Rule 16 transfer assets to another Registered Scheme or to a Qualifying Recognised Overseas Pension Scheme by way of a Recognised Transfer, so that benefits (which may differ as to amounts, beneficiaries or otherwise from those under the Scheme) will be secured under that Registered Scheme or Qualifying Recognised Overseas Pension Scheme instead of benefits which would otherwise have been provided under the Scheme in respect of any Member(s). Such a transfer may be in respect of all or any part of a Member's benefits under the Scheme. The assets to be transferred will have a value (on the basis of such valuations as the Trustees think fit) equal to the amount of the relevant Member's Fund(s) less any expenses of the transfer.
- 11.2 Provided that no Scheme Chargeable Payment may be made from the Scheme, the Trustees may subject to Rule 16 apply the amount which would otherwise be available under Rule 11.1 in taking out an Insurance Policy (which may include provision for an open market option or for surrender for the purpose of transfer to another Registered Scheme and which may provide benefits which differ (as to amounts, beneficiaries or otherwise) from those under the Scheme) for the Member, his Spouse or Dependants and in the name of the Member, his Spouse or Dependants. Such an application may be made without the consent of the Member, but only if any conditions specified in the Preservation Provisions are satisfied.

- 11.3 Whether or not the Member's consent is required to a transfer or application under this Section 11, it may be made without the consent of anyone else.
- 11.4 The Trustees may in respect of any Member receive a Recognised Transfer from a Registered Scheme or Qualifying Recognised Overseas Pension Scheme (including by the surrender value of an Insurance Policy representing or derived from an interest in a Registered Scheme) and will include them in his Member's Fund or otherwise provide such benefits as, acting on Actuarial Advice, they think fit. In addition the Trustees will comply with any restriction on refunds of contributions arising from the transfer which may be notified by the transferring scheme or insurer.
- 11.5 The Trustees acknowledge that they may have obligations as to the payment of a cash equivalent under the 1993 Act. The Trustees' powers under this Section 11 are discretionary and they may therefore withhold any transfer or application they might otherwise have made pending exhaustion of any rights which may arise under such legislation. If any payment which the Trustees purport to make as a cash equivalent does not comply with the legislative requirements or is in excess of them, it (or the excess) will take effect as a transfer or application under this Rule and the Member's actual or purported exercise of his option for a cash equivalent will constitute his consent thereto.
- 11.6 The Scheme is constituted as an occupational pension scheme within the meaning of section 150(5) of the Finance Act. The Trustees may however agree to convert the Scheme into a registered personal pension scheme.

12. BENEFITS - SUPPLEMENTARY PROVISIONS

- 12.1 Any refund of contributions under Section 9, transfer under Rule 11.1, application of assets under Rule 11.2, appropriation and application under Rule 22.2 or amalgamation under Rule 22.3 will discharge the Trustees from all obligations under the Scheme to the relevant Member(s) or any person who may benefit from his or their membership and will extinguish the relevant Member's Fund(s) and all rights arising from such membership.
- 12.2 Provided that no Scheme Chargeable Payment may be made from the Scheme, the Trustees may grant increases to pensions in payment, provided that such additional increases will not be paid to any greater extent than in the opinion of the Trustees they can be provided by the relevant Member's Fund.
- 12.3 Provided that no Scheme Chargeable Payment may be made from the Scheme, the Trustees may at the request of the Principal Company (subject to payment of any special contribution which they may require) provide altered, increased or additional benefits (complying with Section 10 and the Preservation Provisions) in respect of any Member or benefits (so complying) in respect of any present or former director or employee of any Employer (or their Dependants). Such altered, increased or additional benefits will be subject to deduction of Tax. This Deed applies as appropriate in respect of any such person as it applies in respect of a Member.
- 12.4 The Trustees may deduct from any payment any Tax for which they or the Member or any Beneficiary are or may be accountable.
- 12.5 Provided that this does not give rise to any Scheme Chargeable Payment, if a Member is under a monetary obligation to his Employer arising out of his criminal, negligent or fraudulent act or omission or (in the case of an obligation to the Scheme) out of his

breach of trust, the Employer or the Trustees may require the benefits in respect of him (excluding, in the case of an obligation to the Employer, any attributable to a transfer under Rule 11.4) to be reduced (or, as appropriate, eliminated) by deduction of an amount determined by the Trustees as equivalent to, or not greater than, the obligation and the payment by the Trustees to the Employer of the value of the deduction. The Member concerned will be entitled to a certificate showing the amount paid and its effects on benefits. If the obligation is disputed the Trustees may suspend benefits (except any benefits attributable to a transfer received under Rule 11.4) until the obligation becomes enforceable under a court order or arbitration award. Any Employer receiving a payment under this Rule will indemnify the Trustees against any claims arising because of such payment.

- 12.6 Benefits under the Scheme are subject to the restrictions on alienation contained in section 91 of the 1995 Act and in the Finance Act. If any act or event (not provided for in this Deed) occurs by which the benefit of any person would wholly or partly become (or would but for section 91 of the 1995 Act become) payable to a third party, that person's entitlement to benefit will cease. Provided that no Scheme Chargeable Payment may be made from the Scheme, the Trustees may nevertheless (in accordance with section 92(3) of the 1995 Act) pay or apply benefits of no greater value to or for that person or any of his Dependants as they think fit but may not make any payment to a purported assignee or chargee and such benefits will be subject to deduction of Tax. This Rule applies separately (and severally) in relation to benefits which are payable, those which are prospectively payable and those which are contingently payable.
- 12.7 Provided that no Scheme Chargeable Payment may be made from the Scheme, the Trustees may either themselves or through some other person pay or apply any amount due to a Beneficiary who in their opinion is incapable (eg by minority, mental disorder or illness) for that Beneficiary's benefit. The receipt of any person to whom the Trustees make any payment hereunder will discharge the Trustees. The Trustees may make any choice which any such Beneficiary has under the Scheme for him.
- 12.8 Provided that no Scheme Chargeable Payment may be made from the Scheme, the Trustees may allow a person whose benefits (taken with all others due to him from retirement benefits schemes or free-standing additional voluntary contribution schemes relating to his Service) are when they become due, or on termination of the Scheme, Trivial or in the case only of a Member (subject to the consent of HMRC) who is in exceptional circumstances of serious ill health on his pension starting, to surrender the whole of his pension for a lump sum equal to such part of the relevant Member's Fund as would otherwise have been applied to provision of the pension. The surrender will not affect any other benefits in respect of the relevant Member.
- 12.9 The Trustees will decide the method and frequency of pension payments. When the recipient of a pension dies, no apportionment of payments due or paid before the death will be made.
- 12.10 Beneficiaries will be responsible for notifying the Trustees of their current addresses; and notices and payments may be sent by post (to the address last known to the Trustees) at the Beneficiary's risk and will be deemed received two days after posting.
- 12.11 Beneficiaries and Employers will provide all information (and supporting evidence) required to establish benefit or entitlement or Tax liability or to make any underlying actuarial or other calculation and the Trustees may withhold benefit pending receipt

of information and may adjust any benefits following discovery of any relevant false premise.

- 12.12 Neither membership of the Scheme nor its terms constitute of themselves employment rights of Members.
- 12.13 Where under this Deed an alternative to short service benefit (as defined in the Preservation Provisions) is permitted and the Preservation Provisions so require, the Trustees must be reasonably satisfied that the value of the alternative equals or exceeds the relevant value as required by the Preservation Provisions.
- 12.14 The Trustees may compromise or compound any dispute or claim relating to the Scheme or its administration or to any Beneficiary's entitlement thereunder, with power to substitute for any actual or claimed benefit or right benefits or rights (consistent with the Preservation Provisions) of a different nature or amount. No person (and in particular, where any such compromise or compounding has been agreed with a Member, no person claiming by virtue of the membership of that Member) shall have any entitlement to any benefit or right for which any such substitution has been made.
- 12.15 Notwithstanding any other provision of this Deed or of the Scheme, nothing in this Deed shall entitle any person to any unauthorised payment within the meaning of section 160(5) of the Finance Act.

13. PENSION SHARING ON DIVORCE

- 13.1 On receipt by the Trustees of a Pension Sharing Order the provisions contained in the Schedule to this Deed will apply and shall override any other provisions of this Deed which are inconsistent with them.
- 13.2 The Trustees shall discharge their liability to the Ex-Spouse under section 29(1)(b) of the 1999 Act in accordance with the mode of discharge contained in one or other of either paragraph 1(2) or paragraph 1(3) of schedule 5 of the 1999 Act, the mode of discharge to be selected in any particular case at the Trustees' absolute discretion, subject to the provisions contained in that Schedule, provided always that no Scheme Chargeable Payment may be paid from the Scheme and unless one of the circumstances in Rule 13.3 below arises, in which case the Trustees shall discharge their liability to the Ex-Spouse in accordance with the mode of discharge contained in paragraph 1(2) of schedule 5 of the 1999 Act.
- 13.3 The circumstances referred to in Rule 13.2 above are:
 - 13.3.1 the Trustees are required by statute or any regulation to discharge their liability to the Ex-Spouse in accordance with paragraph 1(2) of schedule 5 of the 1999 Act; or
 - 13.3.2 the Trustees have not received consent from the Ex-Spouse to discharge their liability in accordance with paragraph 1(3) of schedule 5 of the 1999 Act and are not legally able to or, if so able, decide that they do not wish to discharge their liability to the Ex-Spouse under paragraph 1(3) of schedule 5 of the 1999 Act in accordance with regulation 7(2) of the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000.

14. UNALLOCATED OR SURPLUS FUNDS

14.1 This Rule applies if:

14.1.1 after the Trustees have paid or secured all (or been discharged from all obligations to provide any) benefits which may arise under the Scheme in respect of any Member, his Member's Fund is not exhausted; or

14.1.2 the Trustees are satisfied that any Member's Fund or the Scheme may (in whole or in part) become liable to Tax; or

14.1.3 the Trustees agree with a Member that his Member's Fund may be reduced; or

14.1.4 unallocated or surplus assets or funds arise in the Scheme for any other reason.

14.2 For the purpose of these Rules 14.1.1 to 14.1.4, the surplus is the balance of the relevant Member's Fund in a case referred to in Rule 14.1.1, the reduction required to prevent or reduce liability to Tax in a case referred to in Rule 14.1.2 and the reduction agreed between the Trustees and the relevant Member in a case referred to in Rule 14.1.3.

14.3 Where this Rule applies, the Trustees will give written notice to the Principal Company of the surplus, whereupon:

14.3.1 the Trustees may within 3 months direct that the surplus or unallocated assets or funds be applied, subject to deduction of any Tax applicable, wholly or partly under Rule 14.3 and/or in augmentation of other Member's Funds or in the provision of benefits to or in respect of other Beneficiaries (whether existing or new Beneficiaries) (in proportions to be specified by the Trustees); and/or

14.3.2 subject to section 37 of the 1995 Act being satisfied (where applicable) and any required deduction of Tax, any balance of such surplus or unallocated assets or funds not so applied may at the discretion of the Trustees be paid or transferred by way of an Authorised Surplus Payment to the relevant Employer (or Employers in proportions determined by the Principal Company).

15. INVESTMENT

15.1 For the purposes of the Scheme and subject to any restrictions imposed by legislation or HMRC or by the terms and conditions agreed between any Member and the Professional Trustee (if any) or the Scheme Administrator, the Trustees may, anywhere, themselves or with others, acquire or dispose of any property, participate in or finance any company or business, deposit (whether or not at interest), lend or borrow money or other property, mortgage or charge any assets, enter any contract, undertake any obligation, give any indemnity or insure assets for any risk and amount.

15.2 Pursuant to these powers (but without prejudice to their generality):

- 15.2.1 property includes any interest in property, and property acquired may be real or personal, moveable or immovable, tangible or intangible, income producing or not and may be in securities of any Employer;
 - 15.2.2 assets may be applied or encumbered for any purpose which will or may benefit the Scheme, notwithstanding that this may not be regarded as investment or may involve a risk of loss, and as if the assets were beneficially owned by the Trustees personally;
 - 15.2.3 any loan to any Employer will be on commercial terms and at commercial interest rates;
 - 15.2.4 no loan will be made to any individual who is a Beneficiary;
 - 15.2.5 borrowing may be for any purpose (including the acquisition of assets, which may be charged to secure the borrowing) but shall be on terms that neither the Professional Trustee (if any) nor the Scheme Administrator, nor any officer or representative of the Professional Trustee and of the Scheme Administrator, nor any nominee or delegate of the Trustees or of the Scheme Administrator shall have any liability for capital, interest or otherwise except to the extent of assets of the Scheme for the time being available to that trustee;
 - 15.2.6 assets may be acquired (and/or held) by nominees; and
 - 15.2.7 there is no obligation to consult (or give effect to the wishes of) Beneficiaries and section 11(1) of the Trusts of Land and Appointment of Trustees Act 1996 does not apply to the Scheme.
- 15.3 Beneficiaries benefit under the Scheme on the basis that:
- 15.3.1 subject to sections 33 to 36 of the 1995 Act (where applicable) the Trustees owe no duty as to investment other than to act in good faith and as they in their sole discretion consider advantageous to the Scheme and in particular that Scheme assets (or those attributable to a particular Member's Fund) may be applied (a) without regard to diversification and (b) on a basis which may be regarded as speculative or imprudent;
 - 15.3.2 the Scheme is intended to provide benefits in connection with the employment of each Member and accordingly unless and until any benefit becomes payable to any Beneficiary other than the Member, the Trustees owe no duty to such Beneficiary;
 - 15.3.3 the consent of a Member to the purchase, retention or application of any asset affecting his Member's Fund will be evidence (binding all interested Beneficiaries) of compliance by the Trustees with their investment duties unless the contrary is conclusively proved.
- 15.4 This Rule 15.4 applies if the Scheme satisfies all other relevant requirements for the Trustees (or any of them) to be exempt from article 4 of the Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001 but would not be so exempt without this Rule. In that case all day-to-day investment management decisions shall be taken by all, or a majority of, those Members who are

Trustees of the Scheme, or by an authorised person or exempt person acting alone or jointly with all, or a majority of, such Members.

- 15.5 If regulations are for the time being in force prescribing restrictions under section 40 of the 1995 Act but those regulations are expressed (in whole or in part) not to apply to a scheme constituted as the Scheme if it contains a Rule that any decision to invest in all or certain employer-related investments is to be agreed by any person or persons, this Rule imposes that requirement. In particular, as provided for in Rule 17.5, all decisions which fall to be made by the Trustees shall be made by the unanimous agreement of the Trustees who are Members of the Scheme, or, where a company is the sole Trustee of the Scheme, any decisions made by the company in its capacity as Trustee of the Scheme shall be made by the unanimous agreement of all the directors who are Members of the Scheme.

16. CO-OWNERSHIP OF SCHEME ASSETS

- 16.1 If and for so long as there shall be at any time a Professional Trustee who is a Trustee of the Scheme, the following provisions shall apply:
- 16.1.1 the Professional Trustee from time to time of the Scheme shall, jointly with the other Trustees, be the registered owner of all the assets of the Scheme save in respect of:
- 16.1.1.1 investments made on behalf of the Trustees by a person who or which is authorised to carry on investment business under the Financial Services and Markets Act 2000; and
- 16.1.1.2 any share transactions undertaken on stock exchanges outside the United Kingdom where the share certificate is required to be registered in the name of a recognised nominee instead of in the name of the Trustees; and
- 16.1.1.3 shares which are registered in the name of CREST;
- 16.1.2 the Professional Trustee's name shall either appear on all documents evidencing title to the assets of the Scheme or there shall be a legally enforceable restriction in place prohibiting the realisation for cash of any assets of the Scheme without the prior written authority of the Professional Trustee;
- 16.1.3 all cash which forms part of the assets of the Scheme shall be held in a bank account in the names of the Trustees, and the Professional Trustee shall be one of the required signatories to any withdrawal of funds from that account;
- 16.1.4 all and any proceeds from the sale or other disposal of any assets of the Scheme and all and any cash repayments of loans made by the Trustees and all loan interest on such loans and all and any money contributions paid by the Employers and the Members or any money transfers into the Scheme and any other money paid into the Scheme shall be paid to a bank account in the name of the Trustees of which the Professional Trustee shall be one of the required signatories to any withdrawal of funds from that account, including to any standing order or direct debit arrangement;

- 16.1.5 all repayments of loans made by the Trustees in non-cash form shall be transferred into the names of all the Trustees (including the Professional Trustee);
 - 16.1.6 the Professional Trustee shall be a party to all loan agreements relating to loans by or to the Trustees and shall be a party to all insurance policies and contracts arising out of or in connection with the Scheme;
 - 16.1.7 where shares are registered in the name of CREST, an agreement in writing shall be obtained from the fund manager appointed under Rule 17.5 that the shares cannot be transferred out of the control of that fund manager (other than in the normal course of managing investments) without the prior written consent of the Professional Trustee; and
 - 16.1.8 all and any insurance policies and contracts entered into by the Trustees shall prohibit the payment out of any proceeds of the relevant policy or contract unless and until the Professional Trustee has agreed in writing to the payment with the insurance company.
- 16.2 If there shall at any time be no Professional Trustee which is a Trustee of the Scheme, then the provisions of Rule 16.1 above shall apply to the Scheme with the substitution of the Scheme Administrator for the Professional Trustee whenever the words "Professional Trustee" appear.

17. TRUSTEES' DECISIONS

- 17.1 The power of removing Trustees and of appointing new or additional Trustees is vested in the Principal Company. Any Trustee (including the Professional Trustee (if any)) may resign by written notice to the Principal Company and the other Trustees. Except in the case of the Professional Trustee, no such resignation will be effective until the resigning Trustee enters into a deed of discharge with the other Trustees where the other Trustees require him to join in a deed of discharge.
- 17.2 Unless one or more of 17.2.1 to 17.2.4 applies, a minimum of two Trustees is required. If either:
- 17.2.1 there are no Members; or
 - 17.2.2 all of the Members are disqualified from acting as a Trustee of the Scheme; or
 - 17.2.3 no Member agrees to act as a Trustee of the Scheme; or
 - 17.2.4 any or all of the Members fail to be appointed as a Trustee or Trustees,

the Professional Trustee may be the sole Trustee of the Scheme. If one or more of 17.2.1 to 17.2.4 above applies and there is no Professional Trustee, the Trustees (if any) or, if there are no Trustees, the last person(s) to be a Trustee must appoint a Trustee or Trustees within one month of the deficiency arising, failing which the last person to act as a Trustee of the Scheme or, if such person is deceased, that person's estate, must appoint a Trustee or Trustees, notwithstanding the requirements of this Rule and of Rule 17.5. A corporate trustee (whether or not a trust corporation) may be a Trustee but, subject to the foregoing, may not be the sole Trustee of the Scheme. In the event that the number of Trustees falls below two, unless there are no

Members, the Principal Company must appoint a new or additional Trustee or Trustees within one month of the deficiency arising, failing which the power of appointment of Trustees for the purpose of achieving the minimum of two Trustees will vest in the sole remaining Trustee (if any), notwithstanding the requirements of this Rule and of Rule 17.5.

- 17.3 Without prejudice to the generality of Rules 12.4 and 18, each of the Professional Trustee (if any) and the Scheme Administrator shall have the following powers in the event that there shall be any undischarged liability to Tax, whether under the Finance Act or otherwise and including any Scheme Sanction Charge arising out of or in connection with the Scheme:
- 17.3.1 power to recover the amount of the Tax from the relevant Member's Funds and to discharge the Tax liability from those relevant Member's Funds;
 - 17.3.2 power to recover the amount of the Tax from the other assets of the Scheme and to discharge the Tax liability from those assets;
 - 17.3.3 power to recover the amount of the Tax from the Employer and/or from the relevant Members or Beneficiaries personally under their indemnities under Rules 18;
 - 17.3.4 power to sell all or any assets of the Scheme, including assets of the relevant Member's Funds, in order to discharge the Tax liability from those assets, without requiring the consent of the Trustees or other Trustees or of any Member or Beneficiary or of the Employer or of any other person;
 - 17.3.5 power at their option to exercise all the powers and discretions of each of the Trustees and the Principal Company under the Scheme (including the power to appoint and remove Trustees under Rule 17.1) in place of the Trustees and the Principal Company; and
 - 17.3.6 power to terminate the Scheme by notice in writing to the Principal Company and to the Trustees or other Trustees, as the case may be, and to exercise all the powers of each of the Trustees and the Principal Company in relation to termination under Section 23 below to the exclusion of the Principal Company and the Trustees or other Trustees, as the case may be.
- 17.4 Any decision to terminate (wholly or partly) the Scheme, to borrow, to approve any amendment of the Scheme, to change the Scheme administrator for the purposes of section 270 of the Finance Act or to exercise the Trustees' powers (by virtue of Rule 24) under Rule 17.1 will require unanimous agreement of all the Trustees, including that of the Professional Trustee, if and for as long as there is a Professional Trustee which is a Trustee of the Scheme. If there is at any time no Professional Trustee which is a Trustee of the Scheme, then the agreement of the Scheme Administrator shall also be required to any decisions to which this Rule 17.4 applies.
- 17.5 All decisions which fall to be made by the Trustees shall be made by the Trustees who are Members by unanimous agreement, or, where a company is a Trustee of the Scheme, for any decision made by that company in its capacity as Trustee to be made only by the unanimous agreement of all the directors of that company who are Members, disregarding in each case the participation of a Professional Trustee or the Scheme Administrator in the making of a decision, provided that the prior agreement in writing of the Professional Trustee (if and for so long as there is a Professional

Trustee which is a Trustee of the Scheme) and of the Scheme Administrator shall be required to any decision of the Trustees to invest or disinvest under Rule 15.1 or Rule 15.2, save for any investment or disinvestment decisions to which Rule 15.4 applies. The Scheme shall comply with this requirement in order to obtain exemption from the requirements of the 1995 Act or of the Pensions Act 2004 which from time to time are expressed not to apply if this requirement is satisfied.

- 17.6 Two Trustees constitute a quorum subject to any Trustees' resolution to increase that number. Subject to Rule 16.1 and as provided above in this Rule 17.5, the Trustees may delegate powers, duties or discretions (including, but without limiting the foregoing, those relating to investment or banking transactions) within their number or to third parties and on any terms. In particular any one or more of the Trustees may delegate to any person authorised under the Financial Services and Markets Act 2000, his powers in relation to day to day investment management decisions. Subject to Rule 17.2 above, the continuing Trustee or Trustees may continue to act notwithstanding any vacancy in their number. The Trustees may act by written resolution and for this purpose each Trustee signing an identical document will be as valid as if they had all signed the same document.

18. EXONERATION AND INDEMNITY

- 18.1 Subject to section 33, as limited by section 34(6), of the 1995 Act (where applicable), no Trustee (nor any officer or representative of a Trustee nor any delegate or nominee of the Trustees) will be liable for any breach of trust or other breach of duty, including in relation to the making of any Scheme Chargeable Payment, except to the extent attributable to his act or omission knowingly and deliberately committed in bad faith and each Trustee (and such person) will (subject to section 256 of the Pensions Act 2004 and except to the extent that he recovers under any insurance under this Rule 18.1) be indemnified out of the Scheme against any liabilities relating to the Scheme or the relevant trusteeship and any such breach of trust or other breach of duty, including in relation to the making of any Scheme Chargeable Payment, unless so attributable to him. The Trustees may, at the expense of the Scheme, insure the Scheme (against loss caused by any of the Trustees or such persons) and themselves and such persons (against liability for breach of trust or other breach of duty, including in relation to the making of any Scheme Chargeable Payment, (except as aforesaid)) and the first sentence of this Rule 18.1 does not apply to so much of any liability as is actually so insured. No insurance taken out at the expense of the Scheme will include amongst the risks covered any fine or penalty referred to in section 256 of the Pensions Act 2004.
- 18.2 Without prejudice to the generality of Rule 18 above, each Professional Trustee, each of the Scheme Administrators, each officer or representative of a Professional Trustee or of a Scheme Administrator, each delegate or nominee of the Trustees and of the Scheme Administrators shall (except to the extent that he recovers under any insurance claim) be indemnified from the assets of the Scheme, and from the assets of each relevant Member's Fund, and by each relevant Member and Beneficiary personally and by each of the Employers, from all and any liabilities, costs, claims, expenses, obligations, demands and proceedings whatsoever to or in respect of or arising out of or in connection with a Scheme Sanction Charge or any other Tax, including any other Tax under the Finance Act, except to the extent attributable to that Professional Trustee's, Scheme Administrator's, officer's, representative's, delegate's, or nominee's own act or omission knowingly and deliberately committed in bad faith. The Trustees may, at the expense of the Scheme, insure the Scheme and

themselves, including the Professional Trustee, and the Scheme Administrator and such officers, representatives, delegates and nominees against any such Tax liability.

- 18.3 Neither the Professional Trustee (if any) nor the Scheme Administrators, nor any officer or representative of a Professional Trustee or of a Scheme Administrator, nor any delegate or nominee of the Trustees or of the Scheme Administrator, shall be under any liability to any Member or Beneficiary in respect of any Scheme Chargeable Payment, including in relation for any Scheme Sanction Charge, except to the extent attributable to that Professional Trustee's, Scheme Administrator's, officer's, representative's, delegate's or nominee's own act or omission knowingly and deliberately committed in bad faith.
- 18.4 Neither the Trustees nor the Scheme Administrators shall have any personal liability whatsoever to any person or body with whom the Trustees or the Scheme Administrators may enter into any contract, deed or other transaction for the purposes of the Scheme and the liability of the Trustees and the Scheme Administrators to any such persons or bodies shall be limited to the assets of the Scheme which are available to and readily realisable by them.
- 18.5 All and any Tax payable arising out of or in connection with the Scheme shall be met from the assets of the Scheme and from Member's Funds as determined by the Professional Trustee or the Scheme Administrator from time to time.

19. FEES AND EXPENSES

- 19.1 Provided that no Scheme Chargeable Payment may be made from the Scheme, the expenses of the Scheme will (except to such extent, if any, as the Employers discharge them) be paid out of the Scheme insofar as they constitute Scheme Administration Member Payments or are permitted by regulations under section 184 of the Finance Act or are otherwise permitted by HMRC. Each Trustee will be reimbursed by the Scheme his expenses as a Trustee. Any corporate Trustee and any Trustee (or firm or company in which a Trustee is interested) carrying on a profession or business, including in either case the Professional Trustee, and the Scheme Administrator may charge for services rendered and may retain commissions. Fees may be levied by the Professional Trustee and the Scheme Administrator on such basis as the Professional Trustee and the Scheme Administrator may respectively determine.
- 19.2 The Professional Trustee and the Scheme Administrator may also each levy such additional expenses incurred in connection with the banking, administration, management, transactions and investment of the Scheme as the Professional Trustee may in its sole discretion deem necessary, or if there is no Professional Trustee which is a trustee of the Scheme, as the Scheme Administrator may determine.

20. MISCELLANEOUS

- 20.1 Any Trustee (and any officer or representative of a corporate Trustee or delegate or nominee of the Trustees) may be a Member or Beneficiary (and may retain any benefit).
- 20.2 No Trustees' or Scheme Administrator's decision will be invalidated or questioned because any or all of the Trustees (or any officer or representative of a corporate Trustee or any delegate or nominee of the Trustees) had any interest (or was an officer or trustee of, or otherwise connected with, any third party interested) in it.

- 20.3 Neither the Trustees nor the Scheme Administrator shall be bound or required to interfere in the management or conduct of any business or company in which the Scheme is interested.
- 20.4 Any power or discretion of the Trustees or of the Scheme Administrator (including any provision which is permissive and not mandatory and any which requires Actuarial Advice) is absolute and unfettered and (so long as any required Actuarial Advice has been taken, even if not followed) no exercise thereof may be questioned unless the decision is made in bad faith. The Trustees and the Scheme Administrator may, in such exercise, take account of any wishes expressed by the relevant Member. Where the Trustees have to decide the amount of any benefit(s) or the apportionment of a Member's Fund between benefits they have full discretion to decide the relative amount(s) and to apply the whole or part of the Member's Fund to any one or more benefits to the exclusion of any other or others (whether presently capable of grant or prospective).
- 20.5 A corporate Trustee may act by or under the authority of its board of directors, or by a person appointed by such board as its representative.
- 20.6 There must always be a Scheme Administrator in relation to the Scheme. The Principal Company and the Trustees have power jointly to appoint or remove the Scheme Administrator from time to time. If the Principal Company and the Trustees at any time fail to appoint a Scheme Administrator, the Professional Trustee shall appoint a Scheme Administrator. If the Scheme Administrator wishes to resign, or if the Principal Company and the Trustees wish to remove the Scheme Administrator, the Principal Company and the Trustees must first jointly appoint a new Scheme Administrator, or, failing that, the Professional Trustee must do so, before any such resignation or removal can be effective.

21. SCHEME RECORDS

- 21.1 The Trustees shall keep such records in the prescribed form as shall be required by regulations made from time to time under section 49 of the 1995 Act.
- 21.2 Actuarial valuations of the Scheme will only be prepared after 15 September 2005 insofar as this is required by HMRC. The Trustees may (and will if the law so requires) annually prepare accounts of the Scheme and have them audited. The Scheme will be operated in conformity with all requirements of the law as to disclosure of information.

22. EMPLOYERS

- 22.1 The Principal Company may admit to the Scheme any employer which by deed agrees with it and with the Trustees to comply with this Deed.
- 22.2 The participation of any Employer (other than the Principal Company) in the Scheme will cease if it so notifies the Trustees, or if an order is made or a resolution is passed for its winding up. Thereupon Members who are its employees will remain in Membership. The Trustees may in respect of those Members (and such, if any, of the relevant Employer's former employees who are Members as they determine) appropriate the relevant aggregate Member's Funds and apply the amount appropriated as if Section 23 below applied, as an alternative to continuing to provide Scheme benefits in respect of them.

- 22.3 The Scheme may be amalgamated into, or may absorb, any other scheme established for the benefit of employees of any Employer which participates or is eligible to participate in the Scheme. Such amalgamation will be on such terms as the Trustees and with the consent of the Principal Company may agree.
- 22.4 The Trustees may by deed determine that any Employer shall become Principal Company. On any such determination being effective, the Scheme will continue with the substitution of the new Employer as Principal Company and it will have all powers and responsibilities of the Principal Company under the Scheme. No such determination will take effect without the prior consent of the existing Principal Company, unless or until it is the subject of a Default Event.

23. TERMINATION

- 23.1 The Trustees may terminate the Scheme if they believe its objects have ceased or its administration has become inconvenient. The Trustees have discretion to continue the Scheme. The Trustees may terminate the Scheme as soon after the making of an order or the passing of a resolution for the winding up of the Principal Company as they determine that no employer will become Principal Company under Rule 22.4. If the Trustees decide to continue the Scheme, they may either continue the Scheme as either a closed scheme, in which case no further contributions will be payable to the Scheme, no further benefits will accrue under the Scheme and no further persons may be admitted to membership of the Scheme, or as a scheme which is open to new Members, further contributions and further accrual of benefits. If the Trustees continue the Scheme as a closed scheme, they may at any time decide to re-open the Scheme to new Members and/or further contributions and/or further accrual of benefits. The Trustees may terminate the Scheme after a period of such continuance as a closed scheme at such time as they think fit.
- 23.2 On termination the Trustees will wind up the Scheme. They will realise its assets at such time or times as (having regard to prevailing investment conditions) they think fit and pay the costs of the Scheme (including its termination and winding up). The Trustees will then apply each Member's Fund in the following order: in paying its due proportion of all costs of termination; in paying sums due before termination (including any arising on any death before termination) arising from the relevant membership; in securing other benefits which the Scheme may provide in respect of the relevant membership; in providing or retaining for such present or future increases in benefits or additional benefits (in either case, first in respect of the relevant membership and then by augmentation of any other Member's Fund(s)) as the Trustees decide in their absolute discretion and (subject to any required deduction of Tax and subject, where applicable, to the requirements of section 76 of the 1995 Act being satisfied) in paying any balance which cannot be applied in any such way to the Employers (excluding any which before the termination had ceased to participate in the Scheme) in such proportions as the Trustees think appropriate.
- 23.3 Such benefits will (without the need for any consent) be provided as the Trustees may decide by transfers under Rule 11.1 or Insurance Policies or otherwise as permitted by law or by HMRC, or out of the Scheme which may continue for this purpose. Any such continuation will not continue after the Principal Company has been wound up unless the Trustees so decide under Rule 23.1 above.

24. ALTERATIONS

- 24.1 All and any terms of the Existing Provisions under which the Scheme or its governing documents may be amended, altered, modified, substituted or added to ("Existing Amendment Rule") will continue in force to the intent that the provisions of this Deed or otherwise applicable to the Scheme will continue to be capable of amendment, alteration, modification, substitution and/or addition in like manner as heretofore. The repeal of the Existing Provisions and the adoption of these Rules will take effect subject to the continuance of any benefit or entitlement and to any limitation which by virtue of the Existing Amendment Rule may not be altered.
- 24.2 Unless the Trustees otherwise resolve and save as provided below, all powers and discretions of the Principal Company (but not any obligation on it) will cease to be exercisable by it on the happening of any Default Event and will thereafter be exercisable by the Trustees, whether or not their consent would otherwise be required. On another Employer becoming Principal Company under Rule 22.4 such powers and discretions will re-vest in the new Principal Company. A Trustees' resolution that this Rule 24.2 shall not apply or a re-vesting in a new Principal Company will not prevent it applying on a subsequent occasion. However this Rule will not confer on the Trustees any power to determine the amount of any Employer's contributions under Rule 4.2.
- 24.3 Where the amendment or addition under Rule 24.1 affects any subsisting rights (as defined in sections 67 to 67I of the 1995 Act) of any Member acquired before the power under Rule 24.1 is exercised, that amendment or addition shall not be made unless the requirements of sections 67 to 67I of the 1995 Act are satisfied.

25. PERPETUITY

The Scheme will not continue beyond 80 years from the date of this Deed (which is the applicable perpetuity period) unless the Scheme is then exempt from the operation of the perpetuities rule.

26. INTERPRETATION

- 26.1 This Deed will be interpreted in accordance with English law and without reference to the list of contents and headings, which are included for convenience.
- 26.2 For the purposes of this Deed unless the context otherwise requires the masculine includes the feminine and the singular includes the plural and (in each case) vice versa; and any natural, adopted or step child will be regarded as a lawful child.
- 26.3 References in this Deed to any legislation include (where appropriate) legislation which it replaces, amends or supplements and legislation for the time being in force which replaces, amends or supplements it.
- 26.4 In the interpretation and application of the provisions of this Deed or otherwise applicable to the Scheme, due regard shall be had to commercial usage and practice as to pension schemes of the nature of the Scheme.

IN WITNESS WHEREOF this deed has been executed by the parties hereto and is delivered by each of them on the date of this deed.

Executed as a deed by **SAMUEL SHELDON**)
LIMITED:)
)

Signature 

Name (block capitals) GEORGE RICHARD
SHELDON
Director

Signature 

Name (block capitals) PATRICIA ANN SHELDON
Secretary/Director

Signed as a deed by **GEORGE RICHARD**)
SHELDON in the presence of:)
)

Signature 

Witness signature 

Witness name David Jack Myers
(block capitals)

Witness address 65 Market St
Millom
LA18 4AH

Signed as a deed by **PATRICIA ANNE
SHELDON** in the presence of:

)
)
)
)
Signature

PA Sheldon

Witness signature

Witness name
(block capitals)

DAVID JACK MYERS

Witness address

65 Market St

Millom

LA18 4AH.

Executed as a deed by **TAYLOR
PATTERSON TRUSTEES LIMITED:**

)
)
)
Signature

Name (block capitals)

Director

Signature

Name (block capitals)

Secretary/Director

SCHEDULE: PENSION SHARING ON DIVORCE (RULE 13)

1. Assignment

Rule 12.6 is amended to permit the assignment of part or all of the Member's Scheme Benefits to his/her Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision or the assignment of part or all of the Ex-Spouse Participant's benefits or rights to benefits under the Scheme to his/her Ex-Spouse to the extent necessary to comply with a Pension Sharing Order, agreement or equivalent provision.

2. Separate benefits

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.

3. Options for ex-spouse participants

Participation in the Scheme may be offered to Ex-Spouse either where the requirement in paragraph 3 of this Schedule 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.

3.1 Provided that this does not give rise to any Scheme Chargeable Payment, Scheme Benefits by way of a pension can be paid at the request of the Ex-Spouse Participant at any time after attaining age 55, 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 under Rule 12.8 at any age, on the grounds of exceptional circumstances of Serious Ill Health. Provided that this does not give rise to any Scheme Chargeable Payment, there is no limit on the amount of the pension. Such a pension may not be commuted, surrendered or assigned except in accordance with the Scheme Rules. Such a pension must be payable for life unless it is fully commuted under Rule 12.8 and may be guaranteed.

3.2 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.

Otherwise the Ex-Spouse Participant may choose to take Scheme Benefits by way of a lump sum in commutation for part of the pension, at his or her Pension Commencement Date under Rule 6.1.

3.3 Where the Ex-Spouse Participant dies before benefits come into payment, Scheme Benefits by way of a lump sum death benefit may be paid under Section 7. This lump sum can be paid to any person at the discretion of the Trustees.

3.4 On the date the Ex-Spouse Participant's pension becomes payable (but not where the pension is paid in the form of income drawdown), part of this pension may be surrendered for the provision, on the death of the Ex-Spouse Participant, of Scheme Benefits by way of a pension payable to a Dependant of the Ex-Spouse Participant under Section 8.

- 3.5 Full commutation of the Pension Credit Rights on the grounds of triviality or exceptional circumstances of serious ill health is permitted when the pension first becomes payable. Where the Ex-Spouse Participant is also entitled to benefits under the Scheme arising from Service as an Employee, for the purposes of determining the aggregate value of the total benefits payable to the Member for Triviality under Rule 12.8, benefits from Pension Credit Rights must be included. Where the Ex-Spouse Participant is also entitled to benefits under the Scheme arising from Service as an Employee, full commutation of the Pension Credit Rights on the grounds of triviality will only be permitted where benefits arising from Service as an Employee are simultaneously commuted.
- 3.6 The Ex-Spouse Participant may request that the Trustees arrange a transfer of his/her Pension Credit Rights to another Registered Scheme. The Trustees must confirm to the receiving scheme or arrangement, that the transfer value consists wholly or partly of Pension Credit Rights for the benefit of an Ex-Spouse Participant.
- 3.7 At the point the pension becomes payable, the Ex-Spouse Participant may request that the Trustees arrange of the purchase of an annuity from an Insurance Company of his/her choice, in which event the Trustees may (without being obliged to) arrange for the purchase of such an annuity.
- 3.8 The rights to a Pension Credit Benefit under the Scheme shall not be absolute, but shall be forfeited upon the bankruptcy of the Ex-Spouse Participant. Such benefits may then be paid to any individuals or individual as specified by the Trustees, in their absolute discretion.

4. Transfers in

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

5. Death of ex-spouse

If the Ex-Spouse dies after a Pension Sharing Order, agreement or equivalent provision is made but before it is acted upon by the Trustees, a lump sum death benefit may be paid to any person at the discretion of the Trustees, provided that no Scheme Chargeable Payment may be made out of the Scheme.