

TDL Retirement Benefits Scheme

Definitive Trust Deed and Rules

DEFINITIVE DEED made between THE DOCTOR'S LABORATORY LIMITED registered number 2201998 whose registered office is at 60 Whitfield Street, London, W1T 4EU ("the Principal Employer") of the first part; and DAVID NEEP of Long Roof, Hervines Road, Amersham, Buckinghamshire, HP6 5HS and NICOLA CRAIG of 106 Palace View, Bromley, Kent, BR1 3ER and NITA KARGATHRA of 99a Hounslow Road, Feltham, Middlesex, TW14 0BB ("the Trustees") of the second part;

BACKGROUND

- (A) The Principal Employer established The TDL Retirement Benefits Scheme ("the Scheme") by a trust deed dated 26 July and 1 August 2007 ("the Founding Deed") commencing on 1 July 2007 to provide benefits as described in section 150(1) of the Finance Act 2004 ("the Finance Act") for employees and former employees of the Principal Employer and employers associated with the Principal Employer as become eligible to participate in the Scheme. The Scheme is a registered pension scheme under the Finance Act.
- (B) The Principal Employer has prescribed the Rules of the Scheme ("the Rules") as contained in the Schedule ("the Schedule") which forms part of this deed and which operate as from 1 July 2007.
- (C) The Trustees are the present trustees of the Scheme, as defined in the Founding Deed.
- (D) The words and phrases used in this deed have the same meaning as in the Rules.
- (E) The Scheme is governed by the law of England & Wales.

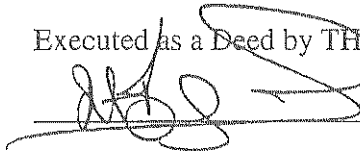
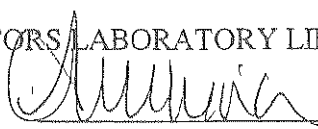
EFFECT OF THIS DEED

The Principal Employer confirms

- (a) the establishment of the Scheme with effect from the Commencing Date;
- (b) the Rules contained in the Schedule hereto shall be adopted as the Rules of the Scheme with effect from the Commencing Date;
- (c) the appointment of the Trustees as the trustees of the trust and as the Administrator to act in accordance with this Deed subject to any alterations which may from time to time be made under Rule 38 of the Rules.

IN WITNESS WHEREOF these presents consisting of this and the preceding page and the Schedule attached are executed as follows:

Executed as a Deed by THE DOCTORS LABORATORY LIMITED

 Director  Director/Co Secretary
(Delete as appropriate)
DAVID BYRNE Print Name Annette Wilkinson Print Name

26/8/2011 Date

Signed as a deed by the said DAVID NEEP in the presence of

Marina Ferrari 
Witness Signature Trustee Signature
Signature of 1st
Trustee and
signature of
witness on
left hand side

Print Witness Name MARINA FERRARI

Occupation EXECUTIVE ASSISTANT

Address 42 AMBERLEY ROAD

LONDON N13 4BJ

1/9/2011 Date

Signed as a deed by the said NICOLA CRAIG in the presence of

Marina Ferrari 
Witness Signature Trustee Signature
Signature of 2nd
Trustee and
signature of
witness on
left hand side

Print Witness Name MARINA FERRARI

Occupation EXECUTIVE ASSISTANT

Address 42 AMBERLEY ROAD

LONDON N13 4BJ

02/09/2011 Date

Signed as a deed by the said NITA KARGATHRA in the presence of

Maina Ferrari
Witness Signature


Trustee Signature

Signature of 3rd
Trustee and
signature of
witness on
left hand side

Print Witness Name MARINA FERRARI

Occupation EXECUTIVE ASSISTANT

Address 42 AMBERLEY ROAD
LONDON N12 4BJ

22/09/2011 Date

SCHEDULE

RULES

This schedule consists of the following:

INDEX

DEFINITIONS AND INTERPRETATION

ELIGIBILITY

SCHEME BENEFITS

TRUSTEES' POWERS, DUTIES AND GENERAL PROVISIONS

APPENDIX – PENSION SHARING ON DIVORCE

INDEX

THE RULES	4
1 DEFINITIONS AND INTERPRETATION	4
1.2 INTERPRETATION	12
SCHEME BENEFITS	14
3 COMMENCEMENT OF MEMBERSHIP	14
4 EVIDENCE OF HEALTH	14
5 CONTRIBUTIONS	14
6 NORMAL RETIREMENT	16
7 EARLY RETIREMENT	17
8 LATE RETIREMENT	18
9 DEPENDANT'S PENSION	19
10 COMMUTATION OF PENSION	21
11 PROVISION OF PENSION	22
12 PAYMENT OF RETIREMENT BENEFITS	23
13 INCREASE IN PENSIONS	23
14 PAYMENT ON DEATH OF MEMBER	24
15 CEASING TO BE AN ACTIVE MEMBER	26
16 BENEFITS ON CEASING TO BE AN ACTIVE MEMBER	26
17 AUGMENTATION OF BENEFITS	30
18 TEMPORARY ABSENCE	31
19 MATERNITY, ADOPTION, PATERNITY AND PARENTAL LEAVE	32
20 ACCEPTANCE OF TRANSFER VALUES	34
21 PAYMENT OF TRANSFER VALUES	35
22 FULL-TIME AND PART-TIME SERVICE	35
23 GENERAL LIMITS	37
TRUSTEES' POWERS, DUTIES AND GENERAL PROVISIONS	38
TRUSTEES' POWERS, DUTIES AND GENERAL PROVISIONS	38
24 TRUSTEES	38
25 INVESTMENTS BY THE TRUSTEES	41
26 DELEGATION BY TRUSTEES	41
27 ACTUARIAL REPORTS	42
28 TRUSTEES' REPORTS AND DISCLOSURE	42
29 EXPENSES	43
30 INDEMNITY TO TRUSTEES AND EMPLOYEES OF TRUSTEES	43
31 EVIDENCE AND INFORMATION	43
32 BANKRUPTCY	43
33 ATTEMPTED ASSIGNMENT OF BENEFITS	44
34 LIEN	44
35 JURISDICTION, ARBITRATION AND DISPUTES	45
36 ASSOCIATED EMPLOYERS	45
37 EMPLOYMENT WITH AN OVERSEAS EMPLOYER	46
38 ALTERATION OF THE SCHEME BY TRUSTEES	46
39 ALTERATION OF LIABILITY OF PRINCIPAL EMPLOYER OR EMPLOYER	47
40 LIQUIDATION OF PRINCIPAL EMPLOYER OR EMPLOYER	48
41 TERMINATION OF WHOLE OR A PORTION OF THE SCHEME	48
42 CONDITIONS APPLICABLE TO CONTRACTED-OUT EMPLOYMENT	52
43 PROFESSIONAL ADVISERS	53
44 TAXATION	53
45 RESTRICTION OF SCHEME BENEFITS	53
FS-R	2

46	INCAPACITY TO MANAGE AFFAIRS	53
47	UNCLAIMED MONIES	54
48	UNAUTHORISED PAYMENTS	54
49	TRUSTEES' PROTECTION – CORPORATE TRUSTEE.....	54
	APPENDIX	1
	PENSION SHARING ON DIVORCE.....	A1
1	ALTERATION OF BENEFITS	A1
2	EX-PARTNER PARTICIPANTS	A2
3	BENEFITS FOR EX-PARTNER PARTICIPANTS	A2
4	TRANSFERS IN	A2
5	DEATH OF EX-PARTNER BEFORE ARRANGEMENTS IN PLACE	A3

THE RULES

1 DEFINITIONS AND INTERPRETATION

“Active Member” means an employee of an Employer who has been admitted to the Scheme under Rule 3, unless he has ceased to be an Active Member under Rule 15.

“Actuarial Valuation” means a written report, prepared and signed by the Scheme Actuary, valuing the Scheme’s assets and calculating its technical provisions.

“Actuarial Report” means a written report, prepared and signed by the Scheme Actuary, on the developments affecting the Scheme’s technical provisions since the last Actuarial Valuation was prepared.

“Actuary” means, a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries.

“Annual Allowance” has the meaning given in section 228 of the Finance Act.

“Annual Allowance Charge” has the meaning given in section 227 (1) of the Finance Act.

“Appropriate Share” means the proportion of the Scheme assets that the Trustees determine, after consulting the Scheme Actuary, to be the appropriate portion of the Scheme assets applicable to liabilities of the Scheme in respect of an Employer.

“Associated Employer” means an employer who has been admitted to participate in the Scheme under Rule 36.

“Authorised Payment” means an authorised member payment (as defined in section 164 of the Finance Act) or authorised Employer payment (as defined in section 175 of the Finance Act).

“Benefit Crystallisation Event” has the meaning given in section 216 of the Finance Act.

“Cash Equivalent” means the cash equivalent of the benefits which have accrued to or in respect of the Member up to the date on which his Pensionable Service ends, to which the Member is entitled under Chapter IV of Part IV of the PSA 1993.

“Civil Partner” means the person whom the Member has registered as their partner in accordance with the Civil Partnership Act 2004.

“Commencing Date” means 1 July 2007.

“Contracted-out Employment” means employment with an Employer covered by a contracting-out certificate issued under the PSA 1993 by reference to the Scheme.

“Contracting out Laws” means the contracting out laws of the PSA 1993 (including anti franking). Similar expressions have a corresponding meaning.

“Death Benefit Member” means a Member admitted to the Scheme under Rule 2.1.2.

“Dependant” means:

- (1) A person who was the Spouse or Civil Partner of the Member at the date of the Member’s death or
- (2) A child of the Member if the child
 - (a) has not reached the age of 23 or
 - (b) has reached the age of 23 and, in the opinion of the Scheme Administrator, was at the date of the Member’s death dependent on the Member because of physical or mental impairment or
- (3) A person who was not the Spouse or Civil Partner of the Member at the date of the Member’s death and is not a child of the Member is a Dependant of the Member if, in the opinion of the Scheme Administrator, at the date of the Member’s death
 - (a) the person was financially dependent on the Member,
 - (b) the person’s financial relationship with the Member was one of mutual dependence, or
 - (c) the person was dependent on the Member because of physical or mental impairment.

“Discretionary Member” means a Member admitted to the Scheme under Rule 2.4.

“Employer” means the Principal Employer or any other person who has been admitted to participate in the Scheme under Rule 36 as an Associated Employer and in relation to any individual Member means the Employer by which he is or was last employed.

“Enhanced Pensionable Service” will be calculated as follows

- (i) if the Member has less than five years Total Pensionable Service then Enhanced Pensionable Service will be Qualifying Pensionable Service;
- (ii) if Total Pensionable Service is five or more years but less than ten years then Enhanced Pensionable Service is Total Pensionable Service;

- (iii) if Total Pensionable Service is ten or more years but less than thirteen years and four months then Enhanced Pensionable Service will be Total Pensionable Service plus twenty years less Total Pensionable Service;
- (iv) if Total Pensionable Service is at least thirteen years and four months then Enhanced Pensionable Service will be Total Pensionable Service plus six years and eight months.

The Enhanced Pensionable Service will not exceed the Total Pensionable Service the Member would have been entitled to at age 65 in (ii) and (iii) and at age 60 in (iv).

“Ex-Partner” means an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order.

“Ex-Partner Participant” is an Ex-Partner who participates in the Scheme. For this purpose the Ex-Partner 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.

“Final Pensionable Pay” for the calculation of benefits means the highest annual amount of the Member's Pensionable Pay or Notional Pensionable Pay over any consecutive period of 12 months in the last 3 years before the calculation of benefits.

“Finance Act” means the Finance Act 2004.

“HMRC” means the executive office of Her Majesty's Revenue & Customs responsible for pensions.

“Index” means, in respect of Qualifying Pensionable Service up to and including 30 June 2011, the Government's Index of Retail Prices and, in respect of Qualifying Pensionable Service on and after the 1 July 2011 the Government's Index of Consumer Prices.

“Ill-health Condition” means that the Scheme Administrator has received evidence from a Registered Medical Practitioner that the Member is (and will continue to be) incapable of carrying on his occupation because of physical or mental impairment, and has ceased to carry on his occupation.

“in writing” means any notice or communication effected on paper or communicated electronically that can be commuted to paper.

“Insurance Company” means Scottish Widows plc or any other insurance company within the meaning in section 275 of the Finance Act.

“Life Insurance Benefit” means any benefit payable under Rule 14.2.

“Lifetime Allowance” has the meaning given in Section 218 of the Finance Act.

“Lifetime Allowance Charge” has the meaning given in Section 214(1) of the Finance Act.

“Lifetime Allowance Excess Lump Sum” has the meaning given in Schedule 29 of the Finance Act.rins1-10

“Member” means any employee or former employee of an Employer who commenced membership of the Scheme under Rule 3.1 and who is prospectively entitled to a benefit under the Scheme or any individual in receipt of benefit under the Scheme.

“Member's Beneficiaries” means the Dependants, ascendants, Next-of-kin and legal personal representatives of the Member and the descendants of the Member's grandparents and the spouse or civil partner of any such people and, except in respect of any amount payable under Rule 14.7, where the Member has so requested the Trustees in writing all such persons, charities, clubs and other bodies as the Member wishes to be considered as possible recipients of benefit after his death.

“Modified Benefits” means

- (i) for each Member and other person who is in receipt of a pension or annuity from the Scheme, and for each Member with entitlement to benefits under the Scheme in accordance with Rule 16.1, the benefits to which they are entitled when benefits fall to be modified;
- (ii) for each Active Member when benefits fall to be modified, the benefits to which they would have been entitled under Rule 16 had they left Service at that date or such other benefit or benefits,

all as the Trustees decide after consulting the Scheme Actuary and the Employer.

“Next-of-kin” means the persons who would take beneficially (otherwise than as creditors) on an intestacy under the provisions of the Administration of Estates Act 1925 (irrespective of its amount) if he had died intestate and solvent.

“Normal Retirement Date” means the Member’s 60th birthday. Rins1-12

“Notional Pensionable Pay” means the Member’s Pensionable Pay at the date he started to receive payments from the Employer’s permanent health insurance scheme increased each year in line with the Index over the year to 30 September in the previous calendar year but with a maximum of 5% per annum.”

“Overseas Employer” means an Employer who is determined by the Trustees to be not resident in the United Kingdom.

“PA 1995” means the Pensions Act 1995.

“PA 2004” means the Pensions Act 2004.

“Partner” means in relation to any deceased Member that Member's Spouse or to the extent the context so permits that Member's Civil Partner. Rins1-13

“Past Service Reserve” means a reserve calculated on a basis determined by the Scheme Actuary, having regard to the projected Final Pensionable Pay at the assumed date of retirement, earlier death or leaving Service and not the Final Pensionable Pay at the date of amendment, wind up or transfer.

“Pension Benefits” means all benefits payable from the Scheme other than those payable under Rule 9.2.1(a) or 14.

“Pension Commencement Lump Sum” has the meaning given in Schedule 29 of the Finance Act.

“Pension Credit” means a credit under section 29(1)(b) of the WRPA 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 WRPA or under corresponding Northern Ireland legislation.

“Pension Input Period” has the meaning given in Section 238 of the Finance Act.

“Pension Schemes Act” means the Pension Schemes Act 1993.

“Pension Sharing Order” has the meaning given in Section 28(1) of the WRPA or under corresponding Northern Ireland legislation.

“Pensionable Pay” means the Member's basic annual salary or wage from an Employer plus allowances as determined by the employer and any other element of remuneration which would have been pensionable under the Previous Scheme.

“Pensionable Service” shall have the meaning ascribed to it by Section 70 of the PSA 1993.Rins1-14 rins1-15 rins1-16 rins1-17

“Personal Pension Scheme” has the meaning given in Section 1(1) of the PSA 1993.

“Preservation Laws” means the laws on preservation of benefits under the PSA 1993.

“Previous Scheme” means the NHS Pension Scheme.

“Principal Employer” means The Doctors Laboratory Limited or any other company or firm which shall expressly assume the obligations under the Scheme of the Principal Employer and notify this in writing to the Trustees or with the written consent of its predecessor, unless the Trustees ascertain that there is no predecessor to give such consent.

“PSA 1993” means the Pension Schemes Act 1993.

“Qualifying Child” in relation to a deceased Member means any person who

- (i) (a) is a child of the Member including a child conceived but not yet born or an adopted child of the Member; or
- (b) is a step-child of the Member

who in each case was living with the Member immediately before the Member's death and was wholly or partly dependent on the Member for the ordinary necessities of life; and

- (ii) (a) has not attained age 17, or
- (b) is in full-time education and has not attained age 23.

“Qualifying Pensionable Service” means Service while an Active Member of the Scheme for Pension Benefits up to Normal Retirement Date or, in respect of a Member who continues to pay contributions after Normal Retirement Date under Rule 5.2 up to the date he ceases to pay contributions.

“Qualifying Recognised Overseas Pension Scheme” means a scheme or arrangement which is a qualifying recognised overseas pension scheme for the purposes of Part 4 of the Finance Act.

“Qualifying Service” means the sum of all periods during each of which the Member was in employment which qualified him during the period for benefits payable on retirement or death on or after Normal Retirement Date under

- (a) the Scheme, or
- (b) any other retirement benefit scheme of the Employer or any predecessor in business or to which the Employer or predecessor has contributed, or
- (c) any other retirement benefit scheme from which a transfer value has been received into the Scheme in respect of those benefits,

provided that each period will be reckoned only once when there are simultaneous periods of Qualifying Service and that no account will be taken under (a) or (b) above of any period in respect of which entitlement to such benefit

- (i) has been extinguished by a transfer of benefits to another scheme, or
- (ii) has been extinguished by the payment of a lump sum on the termination of the Service which included the period, or
- (iii) did not arise on the termination of the Service which included the period,

subject to Service not being treated as terminated for the purposes of (ii) and (iii) above if

- (A) the Member re-entered Service after not more than one month, or
- (B) in the case of a female Member she returned to work after an absence for pregnancy or confinement in exercise of a right under Section 79 of the Employment Rights Act 1996.

“Registered Medical Practitioner” has the meaning given in Schedule 1 of the Interpretation Act 1978.

“Registered Pension Scheme” means a scheme or arrangement which is a registered pension scheme for the purposes of Part 4 of the Finance Act.

“Relievable Pension Contributions” has the meaning given in Section 188(2) of the Finance Act.

“Revaluation Laws” means the laws on revaluation of benefits under the-PSA 1993.

“Schedule of Contributions” means a schedule prepared for the purposes of Section 227 PA 2004.

“Scheme” means The TDL Retirement Benefits Scheme.

“Scheme Actuary” means, in the event that Section 47 of the PA 1995 applies, the individual appointed by the Trustees as actuary in accordance with Section 47(1)(b) PA 1995.

“Scheme Administrator” means the administrator of the Scheme within the meaning given in Section 270 or paragraph 4 of Schedule 36 of the Finance Act. The Trustees are the Scheme Administrator unless they appoint a replacement in writing in accordance with the in terms of that Section.

“Section 9(2B) Rights” has the meaning given to it in Regulation 1 of the Occupational Pension Schemes (Contracting-out) Regulations 1996.

“Service” means service of a Member as an employee of the Principal Employer or an Associated Employer or an employer who is associated with the Employer only by virtue of a permanent community of interest, provided that (a) service includes periods of temporary absence from employment as provided in Rule 18 and (b) for the purpose of the Scheme a Member who is a director will be deemed to be in the employment of any one or more of the Employers whether or not he is a salaried director.

“Shared Cost Additional Voluntary Contributions Arrangement” means an arrangement where the employer will contribute to a Member’s Additional Voluntary Contribution arrangement on the Member’s behalf at a rate not less than the rate being paid by the Previous Scheme employer on the day before the Commencement Date or, alternatively the rate that the Member had a right to require the Previous Scheme employer to pay (where contributions had not yet commenced).

“Spouse” means in relation to any deceased Member the person to whom that Member was married provided that in the case of a polygamous marriage as defined for the purposes of the PSA 1993 the spouse will be the person, if any, recognised as the Member's spouse for the purposes of that legislation or, if no such person is so recognised, such one, if any, of the persons, if any, claiming to be the Member's spouse as the Trustees at their discretion may decide.

“Total Pension Input Amount” has the meaning given in Section 229 of the Finance Act.

“Total Pensionable Service” means Qualifying Pensionable Service under the Scheme plus service counting for pension while a member of the Previous Scheme.

“Transfer Value” means an amount not less than the Cash Equivalent of the benefits which have accrued to or in respect of the Member up to the date on which his Qualifying Pensionable Service ends, calculated in accordance with the requirements of the PSA 1993 and any regulations made thereunder, as may be determined by the Trustees after consulting the Scheme Actuary or the amount received by the Trustees in respect of a Member’s membership of another pension arrangement.

“Trivial Commutation Lump Sum” has the meaning given in Schedule 29 of the Finance Act.

“Trivial Commutation Lump Sum Death Benefit” has the meaning given in Schedule 29 of the Finance Act.

“Trustees” means the trustees for the time being of the Scheme.

“Unauthorised Payment” has the meaning given in Section 160(5) of the Finance Act.

“Winding-up Lump Sum” has the meaning given to it in paragraph 10 Schedule 29 of the Finance Act.

“Winding-up Lump Sum Death Benefit” means a lump sum death benefit which satisfies the conditions in paragraph 21 Schedule 29 of the Finance Act.

“WRPA” means the Welfare Reform and Pensions Act 1999.

1.1 ABBREVIATIONS USED FOR THE CALCULATION OF BENEFITS

- ERF_{NRD}** the reduction determined by the Trustees from time to time, certified as reasonable by an Actuary, to take account of the early payment of benefit. The adjustment is based on the number of complete years and additional complete months between the date of early retirement and the Member's Normal Retirement Date. Rins1-22
- FPP** Final Pensionable Pay or Notional Pensionable Pay at the date of calculation of benefits.
- LRF** the adjustment determined by the Trustees from time to time, certified as reasonable by an Actuary, to take account of the late payment of benefit between the Member's Normal Retirement Date or actual date of ceasing to be an Active Member, if later, and the date of retirement.
- QPS** Qualifying Pensionable Service to the date the Member ceases to be an Active Member calculated in complete years, with a proportion for additional complete months. Provided that, if a Member is retiring under the Ill-health Condition, QPS will mean Enhanced Pensionable Service.
- RV_{NRD}** the revaluation factor applied under Rule 16.1.1 to preserved benefits between the date of leaving and Normal Retirement Date. Rins1-23

1.2 INTERPRETATION

- 1.12.1 The expressions set out in the definitions have the meanings assigned to them.
- 1.12.2 The masculine includes the feminine and the singular the plural and vice versa where the context admits.
- 1.12.3 All benefits from the Scheme for Members and Dependants are subject to and restricted by the Appendix as appropriate and no exercise of a trustee power or duty can contravene the Appendix.

1.2.4 The Scheme will be operated to conform with the Taxes Act, the PSA 1993, the Finance Act, the PA 1995 and the PA 2004 and any other relevant legislation. Any provision of these Rules which is inconsistent with the relevant legislation will be overridden.

1.2.5 Reference to any statute (or any part, chapter, schedule or section of a statute) includes any statutory modification or re-enactment of it and any regulations made under it or with reference to it (or any such modification or re-enactment) for the time being in force.

2 ELIGIBILITY

2.1 An employee will be eligible for membership of the Scheme for all benefits provided by the Scheme if he satisfies the following conditions-

2.1.1 he was an Active Member of the Previous Scheme on 30 June 2007 or

2.1.2 he was in Service on 30 June 2007 and either

(a) would have become eligible to join the Previous Scheme on satisfying the Previous Scheme's joining conditions; or

(b) had opted out of or chosen not to join the Previous Scheme.

The Employer may at his discretion waive any one or more of the conditions in 2.1.1 or 2.1.2.

In addition the Trustees with the consent of the Employer may allow any employee who has not commenced membership under Rule 3 to become a Death Benefit Member on such date and subject to such conditions and for such benefits under Rules 9 and 14 as the Trustees may decide in any individual case.

2.2 The decision of the Employer as to whether any employee is eligible will be final. The Employer will notify the Trustees of such employees as are eligible for membership of the Scheme.

2.3 Each eligible employee covered under 2.1.2 will complete an application in such form as the Trustees may require before commencing membership; all other eligible employees will automatically be included in the Scheme from the Commencing Date.

2.4 The Trustees may, at their discretion and with the agreement of the Principal Employer, include as a Discretionary Member of the Scheme a person who is not in Service but who was previously a Member of the Scheme. Such a person will be included for transferred benefits under Rule 20 and no other benefits will be permitted under the Rules. .

SCHEME BENEFITS

3 COMMENCEMENT OF MEMBERSHIP

- 3.1** An employee eligible on the Commencing Date as described in Rule 2.1.1 will automatically become a Member on that date. An employee described in Rule 2.1.2 may become a Member on the completion of the application form mentioned in Rule 2.3 before 1 October 2007.
- 3.2** An eligible employee who does not become a Member on the date specified in Rule 3.1 will not be admitted later without the Employer's permission: his benefits will not be higher than if he had commenced membership at the first opportunity. Such permission will be notified in writing to the Trustees by the Employer.
- 3.3** A Member will remain a Member until he is no longer entitled to any benefit under the Scheme.

4 EVIDENCE OF HEALTH

Evidence of health satisfactory to the Trustees may be required in respect of the whole of any Life Insurance Benefit or the whole of any Dependant's pension arising under the Rules as a result of the exercise of a power (including the Employer's power to vary the eligibility conditions) or discretion or the selection of an option.

5 CONTRIBUTIONS

- 5.1** A Member's ordinary contribution for Pension Benefits will be 6 per cent per annum of Pensionable Pay. If a Member was paying a different rate of contributions under the Previous Scheme then that rate shall continue to be paid for the period he is an Active Member of the Scheme.
- 5.2** The Employer, on behalf of the Trustees, will deduct the Member's contributions under 5.1 and 5.6 from his remuneration from the Employer and will pay the contributions to the Trustees in accordance with the Schedule of Contributions. Contributions will be deducted by an Employer from the Member's remuneration from the Employer until the Member's 65th birthday, or until the date of his earlier date of retirement or termination of Qualifying Pensionable Service. If the Member remains in Service after his 65th birthday he may continue to pay contributions until the earlier of the date the Member chooses to stop paying contributions or the day before his 75th birthday.

- 5.3 Subject to Rule 19, a Member's contributions may be continued during a period of temporary absence deemed to be Service or suspended until he returns to work. If they are suspended, the arrears must be paid on the Member's return to work, otherwise the Member's benefits may be reduced. Such reduction to be determined by the Trustees after consulting the Scheme Actuary and the Principal Employer.
- 5.4 The Employer will pay to the Trustees such amounts as may from time to time be required to enable the Trustees to maintain the benefits of the Scheme and which will satisfy the requirements of Part 3 of PA 2004.
- 5.5 Contributions due to be paid under this Rule shall be paid periodically as agreed between the Principal Employer and the Trustees and set out in the Schedule of Contributions.
- 5.6 Subject to Rules 5.7 and 5.8 below a Member may decide to make additional voluntary contributions which may be on a regular basis or otherwise and which will entitle him to additional pension, additional lump sum retirement benefit or Dependant's pension, as the Member may select. The benefit to be paid will be as the Trustees determine is equivalent on a money purchase basis to the value of his additional voluntary contributions. If the Member was paying contributions into a Shared Cost Additional Voluntary Contributions arrangement under the Previous Scheme at 30 June 2007, the Principal Employer will pay contributions at a rate not less than the rate being paid by the Previous Scheme employer at that date to an arrangement with similar terms to the Shared Cost Additional Voluntary Contribution arrangement under the Previous Scheme.
- 5.7 Unless the Trustees in their discretion decide otherwise, evidence of health satisfactory to them will be required in respect of the whole of any Life Insurance Benefit and Dependant's pension secured by additional voluntary contributions.
- 5.8 The benefits and contributions under Rule 5.6 will be subject to the following conditions:
- 5.8.1 the Trustees may impose a lower or upper limit on the payment by a Member of additional voluntary contributions,
- 5.8.2 by notification to the Trustees a Member may cancel or reduce his additional voluntary contributions which are being paid on a regular recurring basis,

- 5.8.3 the Trustees will not apply an increase in terms of Rule 13 to pension or Dependant's pension secured by additional voluntary contributions unless a Member so opts, when the increase will be applied to such smaller benefits as the Trustees may grant,
- 5.8.4 benefits may be taken in the form of cash or non-commutable pension.
- 5.9 A Member's contributions will not exceed his Relievable Pension Contributions. The Total Pension Input Amount in respect of a Member during any Pension Input Period will be assessed against the Annual Allowance in every year except the year in which the Member takes all his benefits from the Scheme. Any Total Pension Input Amount in excess of the Annual Allowance will be subject to the Annual Allowance Charge.

6 NORMAL RETIREMENT

- 6.1 An Active Member who retires from Service on his Normal Retirement Date will become entitled to benefits calculated in accordance with Rule 6.2.

The abbreviations used in this Rule shall have the meanings shown in Rule 1B

- 6.2 The retirement benefits in respect of each Member will be the aggregate of the following -

- 6.2.1 a pension calculated as follows: $\frac{QPS}{80} \times FPP$, and
- 6.2.2 a lump sum retirement benefit calculated as 3 times the pension in 6.2.1, and
- 6.2.3 a retirement benefit of such amount as the Trustees may determine has been secured by any Transfer Value, and
- 6.2.4 any retirement benefit secured by additional voluntary contributions made under Rule 5.6, and
- 6.2.5 any augmentation granted under Rule 17.
- 6.3 Pension will be paid in accordance with Rule 12 and increased in accordance with Rule 13.
- 6.4 A Member will cease to be an Active Member when payment of his pension commences.

7 EARLY RETIREMENT

- 7.1 If before his Normal Retirement Date and whether or not his Service has ended a Member requests early retirement,
- (a) before 6 April 2010, on and after his 50th birthday and the Employer agrees; or
 - (b) on or after 6 April 2010, on and after his 55th birthday and the Employer agrees; or
 - (c) at any earlier date on which the Member satisfies the Ill-health Condition and the Member has produced evidence satisfactory to the Trustees that he has satisfied the Ill-health Condition,

he will then have retired early and will become entitled to receive an early retirement benefit which will be the aggregate of the following :

- 7.1.1 retirement pension calculated as follows: $\frac{QPS}{80} \times FPP \times ERF_{NRD}$,
and
- 7.1.2 a lump sum benefit calculated as 3 times the early retirement pension, and
- 7.1.3 a retirement benefit of such amount as the Trustees may determine has been secured by any Transfer Value, and
- 7.1.4 any retirement benefit secured by additional voluntary contributions made under Rule 5.6, and
- 7.1.5 any augmentation granted under Rule 17.
- 7.2 The early retirement pension will be paid in accordance with Rule 12 and increased in accordance with Rule 13.
- 7.3 A Member will cease to be an Active Member when payment of his pension commences.

8 LATE RETIREMENT

8.1 Where a Member remains in Service after the Normal Retirement Date, then his contributions to the Scheme will continue and benefits will continue to accrue under the Scheme until the earlier of the date he decides to take his retirement benefits or his 65th birthday.

Where a Member remains in Service after his 65th birthday he may choose either

8.1.1 to cease paying contributions to the Scheme and either take his benefits from the Scheme or defer payment until a later date but not later than the day before his 75th birthday, in which case he shall cease to be an Active Member, or

8.1.2 to continue to pay contributions to the Scheme under Rule 5.1 in which case he will continue to be an Active Member up to the date he decides to cease contributing or, if earlier, the day before his 75th birthday.

8.2 Any retirement benefit becoming payable after the Normal Retirement Date will be calculated as follows:

8.2.1 a pension calculated as follows:

(a) if the Member remains in Service after Normal Retirement Date and continues to pay contributions and accrue benefits under the Scheme

$$\frac{\text{QPS}}{80} \times \text{FPP}; \text{ or}$$

(b) if the Member remains in Service after his 65th birthday and then stops paying contributions

$$\frac{\text{QPS}}{80} \times \text{FPP} \times \text{LRF}; \text{ and}$$

8.2.2 a lump sum retirement benefit will be calculated as 3 times the pension, and

8.2.3 a retirement benefit of such amount as the Trustees may determine has been secured by any Transfer Value, and

8.2.4 any retirement benefit secured by additional voluntary contributions made under Rule 5.6, and

8.2.5 any augmentation granted under Rule 17.

8.3 The late retirement pension will be paid in accordance with Rule 12 and increased in accordance with Rule 13.

8.4 A Member ceases to be an Active Member when payment of his pension commences.

9 DEPENDANT'S PENSION

9.1 Dependant's pension calculated in accordance with Rules 9.2 and 9.3 below will be payable on the death of a Member.

9.2 Where the Member is survived by a Partner, the annual amount of Partner's pension will be the aggregate of the following –

9.2.1 a Partner's pension calculated as follows -

- (a) if the Member dies in Service before the Normal Retirement Date a Partner's pension of 25% of the Member's Pensionable Pay (or Notional Pensionable Pay, if he is in receipt of payments from the Employer's permanent health insurance scheme) at the date of his death, and
- (b) if the Member dies in Service after Normal Retirement Date, 50% of the pension to which the Member would have been entitled if he had retired on the date of death,
- (c) if the Member dies after retirement, 50% of the pension to which the Member was entitled at the date of death.

9.2.2 a children's pension payable on the death of a Member in respect of his Qualifying Children. Where the Member has not commenced membership for Pension Benefits under Rule 3 a children's pension will only be payable if he dies in Service before Normal Retirement Date.

The annual amount of children's pension payable in respect of each Qualifying Child subject to a maximum of 2 Qualifying Children will be

- (a) if the Member dies in Service before the Normal Retirement Date, 12.5% of the Member's Pensionable Pay (or Notional Pensionable Pay if he is in receipt of payments from the Employer's permanent health insurance scheme) at the date of his death,
- (b) if the Member dies in Service after Normal Retirement Date, 25% of the pension to which the Member would have been entitled if he had retired on the date of death,

(c) if the Member dies after retirement, 25% of the pension to which the Member was entitled at the date of death.

9.2.3 any Dependant's pension of such amount as the Trustees may determine has been secured by any Transfer Value, and

9.2.4 any Dependant's pension secured by additional voluntary contributions made under Rule 5.6, and

9.2.5 any augmentation to any Dependant's pension granted under Rule 17.

All payments of children's pension under this Rule will be made, until such time as the Qualifying Child attains age 18, to the Qualifying Child's surviving parent or to such other person as the Trustees in their discretion may decide, to be applied for the benefit of the Member's Qualifying Children. If the Qualifying Child remains eligible to receive the children's pension after he has attained age 18 the pension will be paid directly to the Qualifying Child.

The pension will be paid in accordance with Rule 12 and increased in accordance with Rule 13.

9.3 At any time not more than six months before the Normal Retirement Date or earlier date on which his pension commences, a Member may, by giving notice in writing to the Trustees, elect to surrender part of the pension to which he may become entitled in exchange for a pension to be paid should he die after his pension commences to such Dependant as he may name or with the consent of the Trustees to such one or more Dependents as he may name. A Member who dies on or after Normal Retirement Date but before his pension commences will be treated for this purpose as if his pension had commenced on the day before his death.

The Dependant's pension will be of an amount or amounts deemed by the Trustees to be the actuarial equivalent of the part of the pension surrendered by the Member, but the total amount of the Dependant's pensions payable must not be greater than the pension remaining to the Member payable at the Normal Retirement Date or earlier date of retirement. The pension will be paid in accordance with Rule 12 and may be increased in accordance with Rule 13.

9.4 Where the Dependant is a child no Dependant's pension will be paid under Rule 9.3 after he ceases to be a Qualifying Child but if the Trustees consider that the Dependant would, had the Member survived him, remain a Dependant for the whole of his life, the pension will be paid until the date of the Dependant's death.

9.5 The surrender under Rule 9.3 will be cancelled

- 9.5.1 if the Member dies before his Normal Retirement Date or, if earlier, the date on which his pension commences, or
- 9.5.2 if the Dependant dies before the Member's retirement or, if earlier, his pension commences, or
- 9.5.3 if the Member so notifies the Trustees in writing before his Normal Retirement Date or earlier date on which the Member's pension commences and the Trustees so agree.

10 COMMUTATION OF PENSION

FINANCE ACT 2004

- 10.1 If the Trustees consent, a Member may elect to give up pension for a lump sum in addition to the lump sum retirement benefit to which the member is entitled under Rule 6.2.2, Rule 7.1.2, Rule 8.2.2 or Rule 16.1.1 as appropriate. The additional lump sum shall be payable at the same time that the Member's pension commences. The total lump sum must qualify as a Pension Commencement Lump Sum and the Member must keep sufficient pension to satisfy the Contracting-Out Laws.

The lump sum will be subject to 10.2 and the amount of pension to be commuted to secure it is determined in accordance with 10.9 below.

- 10.2 Where pension is commuted, any lump sum which the Member receives, when aggregated with the lump sum retirement benefit to which the member is entitled under Rule 6.2.2, Rule 7.1.2, Rule 8.2.2 or Rule 16.1.1 as appropriate, will not exceed the permitted maximum under paragraph 2, Schedule 29 of the Finance Act or such greater amount as permitted by virtue of paragraphs 24 to 36, Schedule 36 of the Finance Act.
- 10.3 Where a Member remains in Service after Normal Retirement Date and has exercised the option under Rule 9.3, the pension remaining to the Member after commutation will be not less than the total of any Dependant's pensions arising from the surrender of part of his pension at Normal Retirement Date under Rule 9.3. Where any surrender under Rule 9.3 has been cancelled by the death of a Dependant, this Rule shall not apply.

10.4 The Trustees may in their discretion pay a Member a lump sum at the date of his retirement instead of pension payable to him and any contingent Dependant's pension provided that the lump sum would be:

- (a) a Trivial Commutation Lump Sum, or
- (b) an Authorised Payment by virtue of regulation 11 or 12 (and Part 1) of the Registered Pension Schemes (Authorised Payments) Regulations 2009.

Any lump sum payable under this Rule is taxable as pension income under sections 636 B and C and section 683 of the Income Tax (Earnings and Pensions) Act 2003.

10.5 If the Trustees have received evidence that the conditions for the payment of a serious ill-health lump sum under paragraph 4 Schedule 29 of the Finance Act have been met, the Trustees may in their discretion pay a lump sum at the date of retirement instead of the Member's pension, provided that he has not surrendered any part of his pension in terms of Rule 9.3. The lump sum shall be subject to the Lifetime Allowance Charge.

10.6 No lump sum under this Rule shall be made at the date of leaving the Scheme in the circumstances described in Rule 16 unless an early retirement pension is payable.

10.7 The Trustees may at their discretion pay a lump sum instead of the Dependant's pension provided that the lump sum would be a Lump Sum Death Benefit. Any lump sum cannot be paid later than the day before the Member would have attained his 75th birthday.

10.8 Any lump sum under Rule 10.7 shall be payable on the date on which the Dependant's pension would have commenced.

10.9 Any pension to be commuted under Rule 10.2 to provide the lump sum will be determined by the Trustees but the basis used must be certified as reasonable by an Actuary.

The amount of the lump sum under Rule 10.5, 10.6 or 10.8 will be determined by the Trustees but the basis used must be certified as reasonable by an Actuary.

11 PROVISION OF PENSION

The Trustees may secure a pension by purchasing an annuity in the name of the Trustees with any Insurance Company selected by them for this purpose or pay the pension out of the assets of the Scheme.

12 PAYMENT OF RETIREMENT BENEFITS

- 12.1 All pensions under the Scheme will be payable by monthly instalments on the first day of each month or such other day of the month as the Trustees decide. If in the opinion of the Trustees it would be inconvenient or unduly costly to pay or continue paying any pension by monthly instalments, the Trustees may arrange with the recipient to substitute for that pension a pension of equal value payable quarterly, half-yearly or yearly.
- 12.2 The first instalment of Member's pension will be payable on the first payment date following retirement except that where the date of retirement occurs on the first payment date the first payment will be made on that day. Unless Rule 14.7 applies, the last instalment of pension will be that due immediately prior to the death of the Member.
- 12.3 The first instalment of Dependant's pension will be payable on the first payment date following the death of the Member, except that when a Member dies on the first payment date in Service before Normal Retirement Date the first payment will be due to be paid from that day. The last instalment of Dependant's pension will be that due immediately prior to the death of the Dependant. 12.4 Where the Dependant is a child, the first instalment of children's pension will be payable on the first payment date following the death of the Member except that when a Member dies in Service before Normal Retirement Date on the payment date, the first payment will be due to be paid from that day. The last instalment of children's pension will be that due immediately prior to the date on which the last child ceases to be a Qualifying Child.

13 INCREASE IN PENSIONS

- 13.1 The annual pension paid to a Member or to a Member's Beneficiaries will be increased on 1 April in each year commencing on 1 April immediately following the date of payment of the first instalment of pension at the rate detailed in Rule 13.2 below provided that the increase will not apply to any part of the Member's pension which is surrendered under Rules 9.3 or 10. Increases will only apply to the part of a Member's or Dependant's pension secured under Rule 5.8 where the Member so opts under Rule 5.8.3.

If, at 1 April immediately after a pension becomes payable, the pension has been in payment for less than a year, it will be increased by an amount calculated on a proportionate basis by reference to the number of complete months for which the payment has been made.

13.2 The annual amount of Dependant's pension will be increased on 1 April in each year commencing on 1 April immediately following the date of payment of the first instalment of Dependant's pension or where the Member does not die in Service before Normal Retirement Date on 1 April in each year commencing on 1 April immediately following the Member's Normal Retirement Date or earlier date of retirement at the rate detailed in Rule 13.4 below.

Provided that if any Dependant's pension starts within the same year that the Member's Pension started, the proportionate amount of increase shall be determined from the date that the Member's pension started.

13.3 The rate of increase to be applied in Rules 13.1 and 13.2 shall be in line with the increase in the Index over the year to 30 September in the previous calendar year.

14 PAYMENT ON DEATH OF MEMBER

14.1 The Trustees shall pay all lump sums due under this Rule. The Trustees may pay the whole of the lump sums due to or for the benefit of such one or more of the Member's Beneficiaries in such manner as the Trustees may decide, except where the Trustees have resolved that payment will be made by instalments of pension under Rule 14.7 below, any lump sum not paid within two years of the date of the death of the Member shall be held by the Trustees upon trust in a separate bank account other than a Scheme bank account to pay the same to or for the benefit of such one or more of the Member's Beneficiaries in such shares as the Trustees shall, at their absolute discretion, decide.

14.2 The Life Insurance Benefit payable if a Member who is not in receipt of a pension dies in Service will, subject to any conditions regarding evidence of health, be an amount equal to three times Pensionable Pay (or Notional Pensionable Pay, if he is in receipt of payments from the Employer's permanent health insurance scheme) at date of death.

14.3 Entitlement to the Life Insurance Benefit will cease when a Member -

14.3.1 ceases to be in the Service of the Employer, or the 65th birthday, if later;
or

14.3.2 does not return to work immediately at the end of a period of temporary absence.

14.4 When a Member who is not in receipt of a pension dies, any contributions paid by him to the Scheme will be refunded.

14.5 When a Member who is in receipt of a pension dies before sixty monthly instalments of pension have been paid, there will be payable a defined

benefits lump sum death benefit of an amount equal to the monthly instalment of pension paid on or immediately prior to the date of death of the Member, multiplied by the excess of sixty over the number of instalments already paid.

14.6 If a Member who is not in receipt of a pension dies on or after his 65th birthday, a defined benefits lump sum death benefit of an amount equal to the aggregate of the following will be payable:

14.6.1 the lump sum payment which the Member could have received under Rule 8.2.2 and Rule 10.2 if he had retired on the date of his death, and

14.6.2 the amount of the monthly instalment of the balance of the late retirement pension which would have been payable to the Member if he had retired on the day before his death multiplied by sixty.

14.7 As an alternative to the payment of the sum shown in Rules 14.5 or 14.6.3 the Trustees may at their sole discretion decide to continue payment of instalments of pension or to commence payment of instalments where a Member's pension has not commenced until a total of sixty monthly instalments have been paid.

14.8 The Life Insurance Benefit or lump sum can only be paid as a lump sum where a Member is under age 75 at the date of payment. Where a Member is age 75 or over, the Life Insurance Benefit or lump sum, or part of it, may be used to provide additional Dependant's pension. Alternatively it may be paid in whole or in part as a lump sum cash benefit in which case and to such extent it shall be subject to the Lifetime Allowance Charge. The recipient of the lump sum cash benefit is liable for the Lifetime Allowance Charge.

14.9 Where the Life Insurance Benefit or lump sum exceeds the Lifetime Allowance the excess may be used to provide additional Dependant's pension. Alternatively any such excess proceeds may be paid in whole or in part as a lump sum cash benefit in which case and to such extent it shall be subject to the Lifetime Allowance Charge. The recipient of the lump sum cash benefit is liable for the Lifetime Allowance Charge.

15 CEASING TO BE AN ACTIVE MEMBER

15.1 A Member can elect to cease to be an Active Member at any time by giving notice in writing to the Trustees. If a Member gives such notice, or otherwise ceases to be an Active Member, no further Pension Benefits will accrue in respect of that Member from that date, unless the Trustees in their discretion and the Employer otherwise agree in any individual case. The Member and his Dependants will be entitled to benefits under Rule 16. Active Membership will cease as follows:

- (a) unless Active Membership continues as set out in 8.1(b), at Normal Retirement Date;
- (b) on death;
- (c) ceasing to be in Service
- (d) ceasing to be in Active Membership following a period of temporary absence under Rule 18.1
- (e) ceasing to be in Active Membership following a period of maternity absence; or
- (f) opting-out.

15.2 The Member will be permitted to become an Active Member again only with the Employer's permission in writing and intimated to the Trustees. His benefits in respect of his subsequent Service will at the discretion of the Employer either be calculated as if he was becoming a Member for the first time or aggregated with his benefits in respect of his previous Qualifying Pensionable Service.

16 BENEFITS ON CEASING TO BE AN ACTIVE MEMBER

16.1 If a Member ceases to be an Active Member without being entitled to an early retirement pension under Rule 7 and has at least two years' Qualifying Pensionable Service, including where not already included, any pensionable service in any scheme of the former employer of a Member from which a transfer payment has been received and any pensionable service in other schemes (operated within the same group of companies) which relate to the same employment, or has transferred in benefits from a Personal Pension Scheme, he will be entitled to the following benefits: -

16.1.1 On surviving to the Normal Retirement Date a reduced retirement benefit which will be the aggregate of the following:-

- (a) a pension calculated as follows: $\frac{QPS}{80} \times FPP \times RV_{NRD}$, and
- (b) on surviving to the Normal Retirement Date, a lump sum retirement benefit calculated as 3 times the pension in (a).
- (c) a retirement benefit of such amount as the Trustees may determine has been secured by any Transfer Value, and
- (d) any retirement benefit secured by additional voluntary contributions under Rule 5.6, and
- (e) any augmentation granted under Rule 17.

16.1.2 On death

- (a) the benefits described in Rule 14.4, 14.5 or 14.6, and
- (b) the annual amount of Dependants' pension will be the aggregate of the following :-
 - (i) if he dies after retirement, the Partner's pension under Rule 9.2.1(c),
 - (ii) if he dies before Normal Retirement Date, a Partner's pension of 50% of the part of the pension detailed in 16.1.1(a) revalued to date of death and not Normal Retirement Date, plus a lump sum benefit equal to three times the pension which would have been paid to the Member if he had retired on the day before of his death,
 - (iii) if he dies after retirement the children's pension under Rule 9.2.2(c) payable in respect of each Qualifying Child subject to a maximum of 2 Qualifying Children,
 - (iv) any Dependant's pension of such amount as the Trustees may determine has been secured by any Transfer Value,
 - (v) any augmentation to Partner's pension granted under Rule 17,
 - (vi) any Dependant's pension secured by additional voluntary contributions under Rule 5.6.

The pension will be paid in accordance with Rule 12 and increased in accordance with Rule 13.

16.1.3 Any revaluation applied to any pension entitlement under Rule 16 after the date on which Qualifying Pensionable Service ends shall be at least in

accordance with Chapter 2 of Part IV of the PSA 1993 relating to the revaluation of pensions before Normal Retiring Date,,

16.1.4 The benefits preserved for a Member will be increased if necessary so that they are not less than the benefits secured by the Member's contributions remaining in the Scheme.

16.2 If a Member who ceases to be an Active Member without being entitled to an early retirement pension under Rule 7 has less than three months' Qualifying Pensionable Service, including where not already included, any pensionable service in any scheme of the former employer of a Member from which a transfer payment has been received and any pensionable service in other schemes (operated within the same group of companies) which relate to the same employment, and has not transferred in benefits from a Personal Pension Scheme, unless Rule 16.2.1 applies, he will automatically receive a refund of all contributions paid by him to the Scheme subject to Rule 16.4 below,

16.2.1 if any Member to whom this Rule applies has a transferred pension or transferred Dependant's pension under Rule 20 or if the Trustees, with the agreement of the Member so decide in any individual case, instead of the above benefits, the Member will be entitled to the following:-

- (a) on surviving to the Normal Retirement Date retirement benefits which will be the sum of
 - (i) retirement benefits which the Trustees deem to have been secured by the Member's contributions to the Scheme disregarding any part of such contributions which has arisen from the acceptance of a Transfer Value under Rule 20, and
 - (ii) retirement benefits of such amount as the Trustees may determine has been secured by any Transfer Value, and,
 - (iii) any augmentation granted, reduced in the proportion that the period of Qualifying Pensionable Service after the date on which it was granted bears to the period of potential Qualifying Pensionable Service from that date up to the Normal Retirement Date,
 - (iv) retirement benefits secured by additional voluntary contributions under Rule 5.6.

- (b) on death
 - (i) the benefit described in Rules 14.4, 14.5 or 14.6 and
 - (ii) if he dies leaving a Partner, if a Transfer Value has been accepted by the Trustees under Rule 20 the Partner's pension in respect of that transfer, and any Partner's pension secured by additional voluntary contributions under Rule 5.6.
 - (iii) if he dies leaving a Qualifying Child, in the case of a Member in respect of whom a transfer value has been accepted under Rule 20, any transferred children's pension.

16.2.2 If the Member is to be provided with benefits under Rule 16.2.1, at the discretion of the Trustees, benefits in accordance with Rule 16.1 may instead be preserved for a Member in the Scheme if such benefits would exceed those under Rule 16.2.1.

16.3 If a Member ceases to be an Active Member without being entitled to an early retirement pension under Rule 7 and he has completed three or more months' Qualifying Pensionable Service but less than 2 years' Qualifying Pensionable Service, including where not already included, any pensionable service in any scheme of the former employer of a Member from which a transfer payment has been received and any pensionable service in other schemes (operated within the same group of companies) which relate to the same employment, and he has not transferred in benefits from a Personal Pension Scheme he shall be entitled to

- 16.3.1** a refund of contributions under Rule 16.2; or
- 16.3.2** if the Member so elects by notifying the Trustees in writing within a reasonable period of at least 3 months, a transfer payment under Rule 21.

Where the Member does not notify the Trustees of his election under this Rule, the Trustees may decide to pay a refund of contributions to the Member.

16.4 Any refund must be paid before the Member reaches age 75 and will be subject to a deduction for the short service refund lump sum charge under Sections 205 and 254 of the Finance Act.

16.5 As an alternative to the benefits which would otherwise be provided under Rule 16.1, the Member may elect to have the value of those benefits transferred in accordance with Rule 21.

16.6 At the request in writing of the Member before the Normal Retirement Date, any pension to which he remains entitled under this Rule may with the consent of the Trustees -

- 16.6.1** be paid as a reduced early retirement pension calculated by the Trustees on the advice of an Actuary, or
- 16.6.2** be paid from a date later than the Normal Retirement Date (but not later than the day before the Member's 75th birthday), subject to the conditions of Rule 8.
- 16.7** Part or all of the pension payable under Rules 16.1.1, 16.2.1 and 16.6 may be commuted for a lump sum in accordance with Rule 10.

17 AUGMENTATION OF BENEFITS

- 17.1** Subject to Rules 17.2 to 17.6 below, the Trustees may with the consent of the Employer in writing and having regard to any special circumstances increase or add to, all or any of the Scheme benefits payable or in payment in respect of one or more Members or for any employee, former employee of an Employer or Dependant of any such employee, provided that the status of the Scheme as a Registered Pension Scheme will not be prejudiced.
- 17.2** The augmentation under Rule 17.1 will not be effective until the funding of that augmentation has been agreed by the Trustees after consulting the Scheme Actuary, the Employer and the Principal Employer, if different.
- 17.3** The augmentation may be to provide any benefit not otherwise provided by the Scheme as the Trustees agree.
- 17.4** Unless the Trustees in their discretion decide otherwise, evidence of health satisfactory to them will be required in respect of the whole of any additional Life Insurance Benefit, or additional Dependant's pension.
- 17.5** The Trustees will notify the Member concerned of the amount or amounts of any additional benefits provided under this Rule.
- 17.6** Any benefits and contributions under this Rule will be in addition to the other benefits and contributions under these Rules. They will be subject to and included in the application and calculation of the appropriate limitations and restrictions detailed in the Appendices.

18 TEMPORARY ABSENCE

18.1 Where a Member is temporarily absent from work with the Employer for the following reasons -

- 18.1.1 sickness or accident for the full period during which the Member is in receipt of payments from the permanent health insurance scheme of the employer;
- 18.1.2 whole-time service in the United Kingdom armed forces or any United Kingdom national service organisation or in any work of United Kingdom national importance for the full period of temporary absence;
- 18.1.3 full-time education connected with the work of the Employer up to a maximum continuous period of three years;
- 18.1.4 secondment to an employer who does not participate in the Scheme for the full period of secondment; or
- 18.1.5 any reason not coming within the categories stated above up to a maximum continuous period of one year,

that absence shall be treated as Service unless the Employer directs the Trustees otherwise or the Member becomes a member of another retirement benefits scheme for the period. If the absence continues beyond the period detailed in Rules 18.1.1, 18.1.2, 18.1.3, 18.1.4 or 18.1.5, or earlier if such absence has ceased to be treated as Service, the Member will cease to be an Active Member and the provisions of Rule 16 will apply.

18.2 In respect of a period of temporary absence treated as Service under Rule 18.1, the Member shall continue to pay contributions under Rule 5 whilst in receipt of a salary from the Employer or payment from the permanent health insurance scheme of the employer, unless the Trustees and the Employer notify in writing to the Member a different rate of contributions and payment date (including the facility for the Member to pay these contributions when he returns to work). Any period of absence for which a Member does not pay contributions under Rule 5 does not count as Qualifying Pensionable Service unless the Principal Employer and the Trustees agree otherwise.

If the absence falls under Rules 18.1.3, 18.1.4 or 18.1.5, the Member may be treated as ineligible, as determined by the Trustees and the Employer, for any Life Insurance Benefit or Partner's pension payable on death in Service.

18.3 During a period of temporary absence treated as Service under Rule 18.1.2, and where the Employer has directed the Trustees in writing that this section shall apply to any of the other reasons set out in Rule 18.1, the amount of any Life Insurance Benefit or Partner's pension payable on death in Service will be not

less than that which would have applied had death occurred immediately before the period began.

- 18.4 When an Employer's discretions in this Rule are exercised, the Member concerned will be notified in writing of the effect on his benefits.

19 MATERNITY, ADOPTION, PATERNITY AND PARENTAL LEAVE

- 19.1 During any period of paid or unpaid statutory leave commencing on or after 6 April 2003 being:

ordinary maternity leave;
additional maternity leave;
ordinary adoption leave;
additional adoption leave;
paternity leave; or
parental leave

as particularly defined in the Employment Rights Act 1996, the Maternity and Parental Leave etc. Regulations 1999 and the Paternity and Adoption Leave Regulations 2002 (all collectively referred to in this Rule as "Family Leave"), the provisions of this Rule 19 will apply as appropriate in respect of an Active Member.

- 19.1.1 The Member's status as an Active Member will not be changed during the period of Family Leave solely because the Member is on Family Leave.
- 19.1.2 If the Member immediately returns to Service at the end of the appropriate Family Leave, any Qualifying Pensionable Service accrued from that date will be continuous to Qualifying Pensionable Service accrued before the commencement of the appropriate Family Leave.
- 19.1.3 The Member's additional voluntary contributions under Rule 5.6 may be continued or suspended and arrears may be paid on return to work if the Member so chooses.

Any Member who commenced a period of paid or unpaid Family Leave before 6 April 2003 will be given at least the entitlements due to them under the applicable law at the time of commencement of the period of Family Leave as determined by the Employer with the consent of the Trustees.

19.2 Ordinary Maternity Leave and Paid Additional Maternity Leave

During any period of either ordinary maternity leave or additional maternity leave during which the Member is in receipt of either statutory maternity pay or contractual remuneration from the Employer, the following conditions will apply

- (i) Qualifying Pensionable Service will continue as if she was not on ordinary maternity leave or additional maternity leave,
- (ii) she will be treated as having received the earnings she would have received had she not been on such leave for the purposes of calculating her pension benefits and contributions paid by her Employer
- (iii) she will pay any contributions due under Rule 5.1 based on the actual remuneration she is receiving
- (iv) if any contributions due under (iii) above are unpaid, the terms of Rule 5.3 will apply to her.
- (v) she will continue to be covered for Life Insurance Benefit and Partner's pension payable on death in Service. The amount of these benefits will not be less than that which would have applied had death occurred immediately before the period of leave began.

19.3 Adoption Leave

Conditions (i) to (v) of Rule 19.2, substituting references in (i) to maternity leave with adoption leave, will apply to a Member in respect of any period of ordinary adoption leave or additional adoption leave during which the Member is in receipt of either statutory adoption pay or contractual remuneration from the Employer.

19.4 Paternity Leave

Conditions (i) to (v) of Rule 19.2, substituting references in (i) to maternity leave with paternity leave, will apply to a Member in respect of any period of paternity leave during which the Member is in receipt of either statutory paternity pay or contractual remuneration from the Employer.

19.5 Parental Leave

Conditions (i) and (iii) to (iv) of Rule 19.2 will apply to a Member in respect of any period of parental leave during which the Member is in receipt of contractual remuneration from the Employer. The Member's benefits during the period of paid parental leave will be calculated on the basis of the contractual remuneration the Member is receiving.

19.6 Unpaid Leave

During any period of leave during which the Member is not in receipt of either statutory pay or contractual remuneration from the Employer, the following conditions will normally unless the Employer has agreed otherwise with the Member and notified the Trustees in writing

- (i) Qualifying Pensionable Service will cease to accrue on the commencement, and for the duration, of unpaid leave.
- (ii) the Member will only be covered for Life Insurance Benefit and Partner's pension payable on death in Service if, and to the extent, the Member's Employer has agreed with the Member and notified the Trustees.
- (iii) the Member will cease to pay any contributions due under Rule 5.1 until she returns to work.

19.7 Termination of Leave Before the Member Returns to Work

If a Member notifies the Member's Employer in writing that the Member does not intend to return to work at the end of the Member's Family Leave or does not return to work at the end of the Member's Family Leave, the Member will cease to be an Active Member on the latest of the following:

- the last day for which the Member has received any contractual remuneration or statutory maternity or statutory adoption pay;
- the expiry of the ordinary maternity or ordinary adoption leave;
- for a Member so entitled, the expiry of the additional maternity or additional adoption leave;
- the last day of the appropriate Family Leave period;

and the provisions of Rule 16 will then apply.

20 ACCEPTANCE OF TRANSFER VALUES

If the Member has not reached Normal Retirement Date and is not in receipt of pension from the Scheme, the Trustees subject to the conditions set out in this Rule may accept a Transfer Value from a Registered Pension Scheme or a Recognised Overseas Pension Scheme of which a Member has previously been a member in respect of benefits secured for him by that scheme. The Trustees shall provide benefits under the Scheme of such amount as the Trustees shall decide. The Trustees shall -

20.1 only treat the Transfer Value as Member's contributions to the extent notified in writing by the transferring scheme,

20.2 ascertain the period of Service to which the Transfer Value relates,

- 20.3 meet any liability for income tax in respect of contributions included in the Transfer Value returned to Members or on any lump sum paid in commutation of or instead of a pension in respect of the Transfer Value.

The benefits under the Scheme in respect of the Transfer Value will, subject to the restrictions of this Rule, be payable in terms of the Scheme.

21 PAYMENT OF TRANSFER VALUES

- 21.1 As an alternative to the benefits payable under Rules 16 or 42 and subject to Rule 21.2, a Member may exercise his statutory right to a Cash Equivalent. If a Member has lost his right to or does not have a right to a Cash Equivalent the Trustees may allow a transfer of benefits to be made in either case.
- 21.2 Where Rule 21.1 applies, the Trustees will pay a Transfer Value to secure transfer credits under a scheme of which the Member has become a member being a Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme. The Trustees shall notify in writing the administrator of the receiving scheme the amount of the Transfer Value which represents contributions by the Member. The Trustees may at the Member's request pay a Transfer Value in respect of any additional voluntary contributions paid by the Member under Rule 5.6 whether or not the remainder of the Member's benefits under the Scheme are being transferred.
- 21.3 The Trustees may pay a Transfer Value without the consent of the Member to another Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme of which the Member has become a member subject to the provided the conditions in Regulation 12 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 (as appropriate) are satisfied.

22 FULL-TIME AND PART-TIME SERVICE

- 22.1 Where a Member has been in both full-time and part-time Service which counts as Qualifying Pensionable Service, the Member's benefits other than the Life Insurance Benefit will normally be adjusted according to the following principles:-
- 22.1.1 If a Member is in part-time service at the date of calculation of benefits:
- The total Member's pension will be the sum of the following:
- (1) the Member's pension attributable to the period of full-time Qualifying Pensionable Service calculated on the full-time equivalent salary and,

- (2) the Member's pension attributable to the period of part-time Qualifying Pensionable Service calculated on the part-time salary.

Part-time salary will be converted into its full-time equivalent by using the following formula:

Part-time salary multiplied by $\frac{\text{full time working hours}}{\text{part time working hours}}$

Full time working hours are the number of hours normally worked by a full time equivalent employee.

Part time working hours are the number of hours actually worked by the Member.

22.1.2 If a Member is in full-time service at the date of calculation of benefits:

The total Member's pension will be the sum of the following:

- (1) the Member's pension attributable to the period of full-time Qualifying Pensionable Service calculated on the full-time salary and,
- (2) the Member's pension attributable to the period of part-time Qualifying Pensionable Service calculated on the part-time equivalent salary.

Full-time salary will be converted into its part-time equivalent by using the following formula:

Full-time salary multiplied by $\frac{\text{part time working hours}}{\text{full time working hours}}$

Full time working hours are the number of hours normally worked by a full time equivalent employee.

Part time working hours are the number of hours actually worked by the Member.

23 GENERAL LIMITS

If they are liable to pay any Lifetime Allowance Charge in respect of a Member the Trustees may, acting on the advice from the Actuary, recover an amount reflecting such liability from the present or future benefits or entitlement in respect of the Member (other than from an entitlement to a benefit which has not crystallised, except that in relation to which the Lifetime Allowance Charge arises).

If the Trustees have asked a Member to declare to them his available Lifetime Allowance, prior to payment of benefits under the Scheme and the Member failed to do so, the Trustees may assume that he has fully utilised his Lifetime Allowance and treat all his benefits as subject to the Lifetime Allowance Charge until such time as he provides a declaration showing to the Trustees' satisfaction that this is not the case.

Subject to deduction of any charge due, the Trustees may, at the Member's request, pay to the Member a Lifetime Allowance Excess Lump Sum instead of a pension in the circumstances described in Schedule 29 of the Finance Act.

TRUSTEES' POWERS, DUTIES AND GENERAL PROVISIONS

24 TRUSTEES

24.1 Appointment and Removal

- 24.1.1 There shall not be less than three Trustees, except if the sole Trustee is a corporate trustee competent in law so to act.
- 24.1.2 The Principal Employer may by Deed appoint new or additional Trustees and may remove any of the Trustees, without the involvement of the Trustees, except as provided in Rule 24.1.5. No person who is disqualified to act as a trustee under Section 29 PA 1995 shall be appointed as a Trustee.
- 24.1.3 When a Trustee dies, becomes incapable of acting, becomes bankrupt or makes any assignment for the benefit of or any composition or arrangement with their or his creditors he shall be excluded from the calculation of a Trustee quorum immediately and shall be removed from office by the Principal Employer.
- 24.1.4 If the requirements in the PA 2004 for member-nominated trustees or member-nominated directors apply to the Scheme, the Trustees shall make and carry out arrangements for selecting trustees of the Scheme (or directors of its corporate trustee) that are consistent with those requirements.
- 24.1.5 If any vacancy or vacancies occurs in the number of Trustees and the Principal Employer has not appointed a new Trustee or Trustees within three months after its occurrence the remaining Trustee or Trustees shall appoint a Trustee.
- 24.1.6 The Trustees shall have power to carry on the business of the trust notwithstanding the existence of any vacancy or vacancies for the time being in their number.
- 24.1.7 A Trustee may resign on giving written notice to the Principal Employer and the remaining Trustees.

24.2 Powers and Duties

The Trustees shall have and be entitled to exercise all powers, rights and privileges, requisite or proper to enable them to carry out all or any transactions, acts, deeds or things arising under or in connection with the Scheme. The consent or concurrence of the Employers or the Members or the Members' Partners or any of them shall not be necessary in connection with the giving of any receipt or discharge or the making of any payment or the doing of any act or thing made or done in the exercise of their powers. Persons transacting business with the Trustees or with any person to whom they shall have delegated authority in terms of these Rules shall have no duty and no right or title to enquire into the application of monies paid by them to the Trustees but shall be completely exonerated by the Trustees' receipt.

24.2.1 A resolution in writing signed by a majority of the Trustees, of which prior notice in writing has been given individually to all the Trustees, shall be as effectual as if it has been passed at a meeting of the Trustees and may consist of duplicated documents each signed by one or more of the Trustees.

Any resolution made by the Trustees which is recorded by a deed will be signed by all the Trustees unless the Trustees unanimously agree that a majority of their number can sign such a deed.

24.2.2 No resolution of or exercise of a power by a Trustee shall be invalidated or questioned on the ground that he had a direct or personal interest in the result.

24.2.3 A Trustee who is or has been a Member shall be entitled to retain for himself any Scheme benefit to which he is entitled by virtue of such membership, regardless of any decision made as a Trustee affecting such benefit.

24.2.4 The Trustees will

- (a) keep any money received by them in a separate account in the name of the Trustees at an institution authorised under the Financial Services and Markets Act 2000;
- (b) keep books and records relating to meeting, membership, contributions and financial transactions;
- (c) prepare annual accounts to the Scheme and have them audited; and
- (d) prepare an annual report. ~

The accounts and the report must comply with the PA 1995 and PA 2004.

24.2.5 The Trustees shall obtain such professional advice from a professional adviser appointed by them under Rule 43 as they consider necessary and such remuneration as may be considered appropriate shall be paid in accordance with Rule 29.

24.3 Meetings

Subject to the requirements of Section 32(3) of the PA 1995 and Rule 24.2.1, Trustees' meetings will take place after notice in writing has been given to each Trustee. Meetings do not have to be attended in person by each Trustee and may be facilitated by video or telephone conferencing or any other means, whether electronic or not.

The Trustees shall exercise their powers and execute their duties under the Scheme by resolutions passed at meetings of the Trustees unless Rule 24.2.1 applies.

The Principal Employer shall appoint the chairman of Trustees' meetings from one of the Trustees but if the chairman so appointed is not in attendance at a meeting those Trustees present shall elect a chairman for that meeting.

A majority of the Trustees in office shall be a quorum.

Questions arising at any meeting of Trustees shall be decided by a majority of votes of those in attendance at a meeting, or in accordance with Rule 24.2.1. In the event of there being no majority decision, the chairman of the meeting shall have a second or casting vote.

The Trustees shall minute each meeting, recording all decisions taken and shall comply with any requirements under section 49(5) of the PA 1995.

25 INVESTMENTS BY THE TRUSTEES

25.1 The whole of the monies received by the Trustees shall be invested, or held in a current or deposit or other account in the names of the Trustees or their nominees. The Trustees may invest in any investment which they could make if they were absolutely and beneficially entitled to these monies, including (but not exclusively) (1) a bond or bonds of annuity or a life policy or policies effected with an Insurance Company or (2) any unit trust scheme as defined in the Financial Services and Markets Act 2000. The Trustees may retain on deposit or current account with a bank or building society, or in cash, such sums as they in their sole discretion may decide. The Trustees may buy, hold, vary, realise, assign, exchange or otherwise deal with any investments they have made in such manner as they consider expedient and may utilise the proceeds of such investments as well as the income therefrom in payment of benefits. The Trustees shall comply with section 36 PA 1995 and any obligation to keep any money received by them in a separate account under section 49 of the PA 1995.

The Trustees shall have power to hold those assets of the Scheme which are derived from additional voluntary contributions paid by a Member so that those assets are separately identifiable and isolated from other Scheme assets and shall apply them under an insurance policy or policies or investments exclusively for the benefit of that Member and his Dependants as the Trustees decide.

25.2 Subject to any restrictions under Section 36A PA 1995, the Trustees with the consent of the Employer may raise or borrow such monies as they think fit and secure the repayment of such borrowing as they consider appropriate.

25.3 The Trustees may make such loans as they see fit, but only as permitted by law.

25.4 The Trustees shall prepare, maintain, periodically review and if necessary, revise a statement of investment principles in accordance with Section 35 PA 1995 unless Regulation 7(1) of the Occupational Pension Schemes (Investment) Regulations 2005 (SI 2005/3378) applies to the Scheme.

26 DELEGATION BY TRUSTEES

The Trustees may delegate to any one of their own number or to such persons they think appropriate, such powers as they may think fit on any terms including authority to act as Scheme Administrator. The terms may allow sub-delegation. The Trustees may with the approval of the Principal Employer employ any person.

The Trustees may delegate the discretion to make investment decisions under Rule 25 to a fund manager who falls, or is treated as falling, within paragraphs (a) to (c) of Section 31(1) of the Financial Services and Markets Act 2000. A fund manager to whom the Trustees have delegated discretion to make investments under Rule 26 shall comply with Section 36 of the PA 1995.

The Trustees shall not be responsible for the act or default of a delegate (or sub-delegate) or any loss incurred as a result of delegation (or sub-delegation), provided that, in the case of the act or default of a fund manager, they have complied with Section 34(4) of the PA 1995.

27 ACTUARIAL REPORTS

27.1 At intervals of not more than three years or, where paragraph 11 of Schedule 2 of The Occupational Pension Schemes (Scheme Funding) Regulations (SI 2005/3377) does not apply to them, one year unless they obtain Actuarial Reports for the intervening years, the Trustees will arrange for the Scheme Actuary to prepare an Actuarial Valuation and report upon the finances of the Scheme to the Trustees. Any such valuation or report will be subject to the requirements of Section 224 PA 2004.

27.2 For the purposes of Rule 27.1, the Trustees will prepare, review and if necessary, revise a written statement of funding principles in accordance with Section 223 PA 2004.

27.3 The Trustees may obtain Actuarial Reports for their purposes as and when they think fit.

28 TRUSTEES' REPORTS AND DISCLOSURE

The Trustees will prepare a report including audited accounts in respect of each Scheme year.

The Trustees will disclose such information as is required by legislation including the PSA 1993, PA 1995 and the Occupational Pension Schemes (Disclosure of Information) Regulations 1996 to the appropriate persons and such other information as they decide appropriate.

29 EXPENSES

The Principal Employer shall pay the costs of establishment of the Scheme.

The Principal Employer will pay the fees and remuneration of employees and agents of the Trustees and persons giving advice to the Trustees and all other costs, taxes, charges and expenses of or incidental to the administration and management of the Scheme, unless the Trustees agree that these costs can be met from the Scheme assets.

30 INDEMNITY TO TRUSTEES AND EMPLOYEES OF TRUSTEES

To the extent that they may lawfully do so, the Employers shall indemnify and keep indemnified each Trustee, former Trustee and the current and former employees and agents of the Trustees against any actions, proceedings, claims, costs, fines, penalties, awards, losses, damages and expenses arising out of any thing done, or caused to be done, or omitted to be done by them acting in good faith in the execution of the trusts or of any powers, discretions or authorities vested in them or any of them by these Rules. The indemnity will not apply where a Trustee or any such employee or agent is fraudulent, dishonest or wilfully negligent in any particular situation.

If any Trustee is a Corporate Trustee that is related to an Employer then Rule 49 applies.

31 EVIDENCE AND INFORMATION

A Member or any persons to whom benefit may be payable in terms of these Rules will produce such evidence or information as may reasonably be required by the Trustees for the purpose of the Scheme. If such evidence or information is not provided, the Scheme benefit appropriate to the Member will be withheld until such time as the evidence or information is provided.

32 BANKRUPTCY

Any person entitled to benefit in terms of these Rules who becomes bankrupt will remain entitled to benefits under the Scheme.

33 ATTEMPTED ASSIGNMENT OF BENEFITS

If any person entitled to benefit from the Scheme assigns, or does, or attempts to do, any act or thing whereby the person or the Member's Beneficiaries would be divested of the whole or any part of his interest for these benefits, then all such interest under the Scheme will be forfeited. However, the Trustees may in their absolute discretion but only in cases of hardship hold, pay or apply such amounts as would otherwise be due to such person or the Member's Beneficiaries in such manner as they may decide for the maintenance, personal support or benefit of such person or such of his Dependants as may be selected by the Trustees. The payment of any benefit to any assignee or person purporting to be an assignee is an unauthorised payment under Section 172 Finance Act and is not permitted by these Rules.

This Rule does not prohibit the assignment, transfer or alienation of part or all of a Member's right or entitlement under the Scheme to the extent necessary to comply with a Pension Sharing Order.

34 LIEN

The Employer may at his discretion exercise any charge, lien over, or right of set-off against the actual or prospective benefits provided for a Member from the Scheme where a debt to the Employer arises out of a criminal, negligent or fraudulent act or omission by the Member.

The Trustees shall pay the amount to be recovered under this Rule to the Employer and shall reduce the actual or prospective benefits provided for or in respect of the Member in such manner as the Trustees in their absolute discretion shall determine provided that:

- 34.1 the amount recovered must not be greater than the amount of the debt nor greater than the actuarial value of the actual or prospective benefits provided for or in respect of the Member at the time,
- 34.2 the Member must be given a certificate showing the amount recovered and the effect on his benefits,
- 34.3 in the event of a dispute about the amount due, the Employer must not exercise the lien until the debt has become enforceable under a court order or the award of an arbitrator,
- 34.4 any benefits in respect of a Transfer Value received under Rule 20 will not be taken into account for the purposes of this Rule.

35 JURISDICTION, ARBITRATION AND DISPUTES

These Rules shall be construed and the rights of the parties hereto shall be regulated by the law of England and Wales.

If the PA 1995 requires them to, the Trustees will ensure that there are arrangements for an internal dispute resolution procedure conforming to the Section 50 PA 1995.

Subject to that procedure, all questions, disputes or differences as to the true intent and meaning of these Rules or as to the execution of the trusts of the Scheme shall be submitted to a sole arbitrator to be mutually agreed by the Trustees and the complainant, or, failing agreement, to be nominated by the Court, and the decision of such arbitrator shall be final and conclusive. This does not restrict the complainant's legal rights.

36 ASSOCIATED EMPLOYERS

36.1 If any Associated Employer applies to the Trustees to participate in the Scheme, the Trustees with the consent of the Principal Employer may allow that Associated Employer to participate and admit the employees of such Associated Employer as Members. Each Associated Employer that is to participate shall undertake to observe and perform those provisions of these Rules as are applicable to such Associated Employer by completing a Deed of Covenant on such terms as the Trustees and the Principal Employer agree.

36.2 An Employer must withdraw from the Scheme or its participation in the Scheme will be terminated by the Trustees on the effective date when:

36.2.1 an Employer gives notice in writing to the Trustees under Rule 39, or

36.2.2 an Employer ceases to be an Associated Employer unless the Trustees with the consent of the Principal Employer agree otherwise in which case the continued participation will be on such basis and for such period as agreed between the Trustees and the Principal Employer and the Employer will withdraw from the Scheme at the end of that period unless the Trustees with the consent of the Principal Employer agree to extend that period, or

36.2.3 the Principal Employer gives notice in writing that the Scheme is to be terminated.

36.3 At the date of withdrawal detailed in Rule 36.2, no further contributions in respect of Service after the date of withdrawal for those Members in its employment will be payable by that Employer or by those Members. The Trustees will in their sole discretion decide that either:

36.3.1 the portion of the Scheme applicable to that Employer will not be terminated under Rule 41. Modified Benefits in respect of Members or other persons in receipt of or with entitlement to benefits from the Scheme will be maintained and secured as the Trustees in their sole discretion may decide, or

36.3.2 the portion of the Scheme applicable to that Employer will be terminated in accordance with Rule 41.

37 EMPLOYMENT WITH AN OVERSEAS EMPLOYER

37.1 Where an Overseas Employer participates in the Scheme, membership of the Scheme will be open to that Overseas Employer's employees who are subject to UK tax to the extent permitted by the Principal Employer and notified in writing to the Trustees.

37.2 Where a Member of the Scheme is seconded to an Overseas Employer who does not participate in the Scheme, he may continue to be an Active Member. In such circumstances the Overseas Employer should re-imburse the Member's previous Employer any costs associated with that continued membership.

38 ALTERATION OF THE SCHEME BY TRUSTEES

38.1 Subject where applicable to the requirements of Sections 67-67I PA 1995, Section 37 of the PSA 1993, Rule 38.2 and any absolute restriction that may be contained in any provision of the Scheme, the Trustees may at any time by written resolution or deed with the written consent of the Principal Employer alter all or any of the Rules, or any other governing document of the Scheme, provided that no alteration of the Rules may be made so as to affect any of the matters dealt with in Part III of the PSA 1993.

38.2 No alterations of the Rules may be made which would reduce the value of accrued benefits on a Past Service Reserve basis, unless such amendments are required by legislation or are made with the written consent of all the Members affected.

38.3 The powers contained in this Rule may be exercised at any time including at any time after Rule 41 has become effective. These powers may be exercised so as to have prospective or retrospective effect.

39 ALTERATION OF LIABILITY OF PRINCIPAL EMPLOYER OR EMPLOYER

- 39.1** An Employer may, at any time on giving notice in writing to the Trustees and without concurrence of the Members, terminate its liability to pay contributions under the Scheme. Upon receipt of such notice the Trustees will deal with the portion of the Scheme applicable to that Employer in accordance with Rule 36.3.
- 39.2** Where the Employer giving notice under Rule 39.1 is the Principal Employer;
- 39.2.1** it may with the consent of the Trustees make such arrangements as it thinks fit for its obligations other than payment of contributions to be assumed by another Employer, and
- 39.2.2** when it has ceased to be an Employer, it can continue as the Principal Employer, or
- 39.2.3** it can allow another Employer to take over all the obligations of the Principal Employer.
- 39.3** The Principal Employer may, at any time on giving advance notice in writing to the Trustees and without concurrence of the Members, instruct the Trustees to reduce the benefits under the Scheme, subject to Rule 38.2, sections 67 – 67I PA 1995 and Part III of the PSA 1993, so that the liability of all the Employers to pay contributions under the Scheme shall also be reduced but such notice shall not apply to benefits accrued before the effective date of such notice.
- 39.4** Upon receipt of such notice as is mentioned in Rules 39.1 and 39.3 the Trustees will notify in writing each Member for whom the Employers' liability will be terminated, suspended or reduced as the case may be. They will also notify each Member in writing of the manner in which each of his benefits will be affected.
- 39.5** With the agreement of the Trustees, and subject to any requirements under the PA 1995 and the PA 2004 the Employer may suspend or reduce its liability to pay contributions without
- 39.5.1** any corresponding suspension or reduction in contributions to be paid by the Members under these Rules or
- 39.5.2** any reduction in benefits under the Scheme for or in respect of a Member or
- 39.5.3** the whole or any part of the Scheme being terminated.

40 LIQUIDATION OF PRINCIPAL EMPLOYER OR EMPLOYER

- 40.1** If an Employer goes into liquidation for the purpose of reconstruction or amalgamation, or otherwise reconstructs or amalgamates the Trustees will either:-
- 40.1.1** continue the Scheme by obtaining an undertaking from the appropriate successor to that Employer to observe and perform such provisions of the Rules as were being observed and performed by the Employer, or
 - 40.1.2** terminate the portion of the Scheme applicable to that Employer.
- 40.2** If the Principal Employer goes into liquidation for a purpose other than reconstruction or amalgamation, or if not a corporation ceases to carry on business, the whole of the Scheme will be terminated with effect from two months from the date of liquidation or such other period as the Trustees decide, unless any corporation or firm undertakes in writing the obligations under the Scheme of the Principal Employer from the date of liquidation.
- 40.3** If an Employer other than the Principal Employer goes into liquidation for a purpose other than reconstruction or amalgamation, or if not a corporation ceases to carry on business, the Trustees will apply Rule 36.3.

41 TERMINATION OF WHOLE OR A PORTION OF THE SCHEME

- 41.1** If the whole or a portion of the Scheme is to be terminated, the Trustees will follow the provisions under this Rule.
- 41.2** The Trustees will give notice in writing in accordance with any legal requirement then in force that the Scheme is to be wound up as a result of the termination to each Member and will comply with their obligations regarding disclosure of information.
- 41.3** The Trustees will apply the Appropriate Share so that the Trustees' liabilities under the Scheme can be met.

Deficits

Without prejudice to the requirements of section 75 of the PA 1995, if the Trustees determine that the Appropriate Share is insufficient to meet the liabilities the Trustees are required to meet under this Rule in full, ignoring Rules 41.4 and 41.6.3, the Trustees shall ask the Employers to contribute to the Scheme to make up any such deficit. Any monies received from the Employer shall be applied by the Trustees to meet the liabilities in the order set out in this Rule. If after such time as the Trustees decide reasonable the deficit still remains, those unsatisfied liabilities will be reduced by such amounts as the Trustees on the advice of the Scheme Actuary shall in their absolute discretion decide having regard to the funds available.

41.4 Where Rule 36.3.2 applies, the Trustees may at their sole discretion make arrangements to apply the Appropriate Share to meet the liabilities other than the liabilities dealt with under Rule 41.5.1 of the Scheme set out in the remainder of Rule 41.5 as a transfer value to another retirement benefit scheme in accordance with Rule 21.2.

41.5 Where no transfer value is to be paid in accordance with Rule 41.4, the Trustees will apply the Appropriate Share to meet the liabilities of the Scheme set out in the remainder of Rule 41.5 in the following order, provided that each liability will not be satisfied until the liability mentioned in the preceding paragraph has been fully satisfied and where the liabilities mentioned in one of the paragraphs cannot be met in full, each liability in that paragraph, must be satisfied in the same proportions:

Preferential Liabilities

- 41.5.1** any liability in respect of outstanding loans and costs, tax charges and expenses of administration payable out of the resources of the Scheme;
- 41.5.2** where the Scheme assets held by the Trustees in respect of Rule 5.6 are separately identifiable and isolated from the other Scheme assets the liabilities in respect of such additional voluntary contributions; each Member or Member's Dependant will be entitled to the benefits secured by those assets held in respect of the Member;
- 41.5.3** any liability detailed under sections 73 to 73B of PA 995;

Remaining Liabilities to be Secured

- 41.5.4** (a) for each Member and other person in receipt of a pension or annuity, for each Member who has reached his Normal Retirement Date but is not in receipt of a pension or annuity or who has not yet received a lump sum retirement benefit and for any Dependant entitled to a pension benefit on the death of such a member, an annuity and a lump sum retirement benefit of the same amount payable in the same circumstances as the pension or annuity or lump sum retirement benefit due to that Member or person, provided that the annuity payable to a Member's wife or husband shall be paid for life;
- (b) for each Member and Member's Partner with rights to benefits under Rule 20, annuities in respect of those benefits subject to Rule 20;
- 41.5.5** for each Member who at the date of termination has not reached his Normal Retirement Date who is not in receipt of a pension and for any Dependant of each such Member entitled to a pension on the death of that Member, annuities of the same amounts as the pensions that applies under Rule 16, the date of termination of Service being the date of termination of the Scheme or the date he actually left Service if earlier, provided that
- (a) no annuity will be payable earlier than is provided in the Rules; and
- (b) any annuity payable to a Member's Partner shall be payable for life.

Surpluses

- 41.5.6** If any balance remains after the application of Rules 41.5.1 to 41.5.5, it will at the absolute discretion of the Trustees either:
- (a) be applied to provide benefits for such one or more of the persons who are entitled or prospectively entitled to annuities under Rules 41.5.3, 41.5.4 and 41.5.5 in such shares and in such manner and on such terms and conditions as the Trustees shall in their absolute discretion decide; or
- (b) subject to the requirements of section 76 of the PA 1995, be paid in any manner which qualifies as an authorised surplus payment under Section 177 of the Finance Act to such one or more of the Employers in such shares as the Trustees on the advice of the Scheme Actuary shall in their absolute discretion decide subject to the deduction of tax under Section 207 of the Finance Act; or

(c) dealt with by a combination of (a) and (b) as the Trustees determine.

Provided that no surplus payment under Section 177 of the Finance Act will be made until the benefits of any Member who was in Qualifying Pensionable Service immediately before this rule was applied have been increased to those that could have been provided by a Past Service Reserve.

Securing Liabilities

41.6 The Trustees shall at their sole discretion secure liabilities on winding up by such one or more of the following methods as they may consider suitable and are consistent with the Preservation, Revaluation and the Contracting-out Laws-

41.6.1 if the assets held by the Trustees include any bond of annuity effected with an Insurance Company, rights to such benefits under such bond being granted by that Insurance Company for the Members and other persons entitled, or

41.6.2 by purchasing from an Insurance Company individual non-assignable bonds of annuity, or

41.6.3 by making arrangements having obtained the consent in writing of the Members concerned unless Rule 21.3 applies, to pay a Transfer Value in accordance with the procedures set out in Rule 21.1, or

41.6.4 the Trustees may pay a Winding-up Lump Sum to a Member whose accrued benefits under the Scheme are deemed trivial provided that the conditions under paragraph 10 of Schedule 29 of the Finance Act have been met. Any amount payable instead of an annuity must be certified as reasonable by an Actuary, and

41.6.5 the Trustees may pay a Winding-Up Lump Sum Death Benefit to a Dependant of a Member whose accrued benefits under the Scheme are deemed trivial provided that the conditions under paragraph 21 of Schedule 29 of the Finance Act have been met. Any such cash sum cannot be paid later than the day before the Dependant's 75th birthday. Any amount payable instead of an annuity must be certified as reasonable by an Actuary.

41.7 The Trustees will intimate in writing in accordance with any legal obligations then in force to each person entitled to benefits under this Rule how benefits have been secured for them.

42 CONDITIONS APPLICABLE TO CONTRACTED-OUT EMPLOYMENT

The Trustees will operate the Scheme in accordance with the requirements of the PSA 1993 and Regulations made thereunder relating to salary related contracted-out schemes, where any benefits are to be provided in respect of Contracted-out Employment. This Rule overrides all other provisions of the Scheme.

The Trustees shall ensure the Scheme satisfies Section 9(2B) of the PSA 1993. The Trustees and the Principal Employer shall accordingly ensure that the benefits provided under the Scheme in respect of any such Member shall satisfy the statutory standard specified in section 12A of the PSA 1993. The Rules shall be treated as modified if and to the extent necessary for the purpose of satisfying such statutory standard. Payment of a lump sum instead of a pension from a relevant scheme may be made in the circumstances set out in Regulation 19 subject to the conditions of Regulation 20 of the Occupational Pension Schemes (Contracting-out) Regulations SI 1996 No. 1172.

If permitted, a contributions equivalent premium may be paid in respect of a Member with less than 2 years' Contracted-out Employment under the PSA 1993, which will extinguish the Member's accrued rights to rights to pensions under the Scheme so far as attributable to the amount of the premium.

Where the contributions equivalent premium is paid:

- (a) any refund of contributions to the Member or any transfer payment from the Scheme in respect of a Member will be reduced by the amount permitted by Section 61 of the PSA 1993 (and Regulations made under it); and
- (b) any pension benefit under the Scheme for the Member or the Member's Spouse will be extinguished; and
- (c) when the premium would be less than £17 (or such greater amount as is specified in Regulations made under the PSA 1993), it will be treated as having been paid for the purposes of Section 60 (but not Section 61) of the PSA 1993 as described above.

43 PROFESSIONAL ADVISERS

If the PA1995 requires them to, the Trustees shall appoint the Actuary and an auditor. They may also appoint any other professional advisers they see fit, including a medical practitioner. All appointments must comply with any requirements in the PA 1995 and the PA2004 but otherwise may be on such terms as the Trustees decide.

The Trustees will only act upon the advice of any professional adviser appointed by them, when carrying out their duties as Trustees.

44 TAXATION

44.1 Subject to Rule 44.2, when the Trustees or Scheme Administrator, or any person on behalf of any of them, makes or intends to make to HMRC any payment of tax or duty (including a Scheme Sanction Charge) for which he is liable, or for which he believes he may be liable, in respect of the benefits for or in respect of any Member or any other payment under the Scheme, the Trustees will reduce the benefits or payment provided under the Scheme for or in respect of that Member to recover an amount equal to the payment and will re-imburse the person making the payment.

44.2 In the event of the Scheme Administrator receiving a sum from HMRC in respect of a refund of tax or duty under Rule 44.1, he will pay that sum to the Trustees and they will make such addition to the benefits to be provided under the Scheme for or in respect of the relevant Member as they in their absolute discretion shall determine.

45 RESTRICTION OF SCHEME BENEFITS

All benefits from the Scheme for Members and Dependants are subject to and restricted by Appendices A as appropriate.

46 INCAPACITY TO MANAGE AFFAIRS

46.1 If any Member entitled to a benefit under the Scheme is, in the opinion of the Trustees, incapable of managing his affairs or of giving a valid receipt, the Trustees may pay some or all of that entitlement to such person, persons or body as they think fit to be applied for the Member's benefit:

46.1.1 until the Member is again capable of managing his affairs or of giving a valid receipt, or

46.1.2 for his estate.

46.2 The Trustees shall be under no obligation to see to the application of any benefit paid in accordance with Rule 46.1 , and the receipt of the person, persons or body to whom the benefit is paid shall be a complete discharge to the Trustees in respect of that payment.

47 UNCLAIMED MONIES

Any monies not claimed under the provisions of the Scheme within six years of their becoming payable shall cease to be claimable and shall revert to the Scheme.

48 UNAUTHORISED PAYMENTS

The Rules will not entitle any person to a payment which would be an Unauthorised Payment. If this Rule restricts or prevents the payment of any benefit in respect of a Member or a Member's Dependant, the Trustees will make such adjustments to the benefits payable under the Rules for and in respect of the Member or the Member's Dependant as they may reasonably consider appropriate in the circumstances.

49 TRUSTEES' PROTECTION – CORPORATE TRUSTEE

49.1 This Rule 49 only applies:

- (a) if the Scheme has a corporate Trustee that is associated (within the meaning of section 256 of the Companies Act 2006) with an Employer, and
- (b) to directors of the corporate Trustee, except for anyone who is a professional trustee and is paid for acting as a director (or whose firm is paid).

49.2 If this Rule 49 applies then, subject to Rule 1.4, each of the directors of the corporate Trustee shall be indemnified from the Fund against all liability that:

- (a) attaches to him in connection with any negligence, default, breach of duty or breach of trust in relation to the corporate Trustee, and
- (b) arises in connection with the activities of that company as Trustee of the Scheme.

But this indemnity does not cover:

- (c) any liability a director has to pay:
 - (i) a fine imposed in criminal proceedings, or

- (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), or
- (d) any liability he incurs in defending criminal proceedings in which he is convicted (within the meaning of section 235 of the Companies Act 2006).

This indemnity continues as long as the Scheme has assets.

49.3 If this Rule 49 applies then, subject to Rule 49.4, the Principal Employer and the other Employers, jointly and severally, indemnify each of the directors of the corporate Trustee against all liability that:

- (a) attaches to him in connection with any negligence, default, breach of duty or breach of trust in relation to the corporate Trustee, and
- (b) arises in connection with the activities of that company as Trustee of the Scheme.

But this indemnity does not cover:

- (c) any liability a director has to pay:
 - (i) a fine imposed in criminal proceedings, or
 - (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), or
- (d) any liability he incurs in defending criminal proceedings in which he is convicted (within the meaning of s.235 of the Companies Act 2006).

This indemnity only applies to the extent that the liability in question cannot for any reason be met out of the Fund.

If the Principal Employer and the other Employers fail to indemnify a director fully before the expiry of a period of notice of not less than one month given to them by the corporate Trustee, the director shall be indemnified to the extent necessary out of the Fund.

This indemnity continues after the Scheme has been wound up.

49.4 Rules 1.2 and 1.3 do not apply where a director's liability arises from an act or omission by him which constitutes fraud dishonesty or wilful negligence, or

APPENDIX

PENSION SHARING ON DIVORCE

The provisions of this Appendix will apply to any Member in respect of whom a Pension Sharing Order takes effect in relation to the Scheme or where a transfer payment in respect of Pension Credit Rights is made to the Scheme. The Trustees shall implement the Pension Sharing Order and shall calculate a Pension Debit in respect of the relevant Member in accordance with this Appendix and the WRPA.

1 ALTERATION OF BENEFITS

- (a) The Trustees will comply with any Pension Sharing Order with regard to any benefits to which a Member is entitled under the Scheme or the benefits to which a person is entitled under the Scheme on the death of the Member.
- (b) Where an order is made under (a) above in respect of any Member, and the benefits are transferred under Rule 21, the Trustees shall transfer the order to the Trustees of the receiving scheme and notify the former spouse of the transfer in accordance with the Divorce Etc. (Pensions) Regulations 2000.
- (c) The Trustees may at their discretion decide whether or not they wish to allow an Ex-Partner to participate in the Scheme where the Trustees have received a Pension Sharing Order. If they decide to allow the Ex-Partner to participate in the Scheme, the Ex-Partner will be included in the Scheme for Pension Credit Benefits. The Ex-Partner will not become a Member unless he is eligible for membership.

If the Trustees decide not to allow an Ex-Partner to participate in the Scheme they will discharge their liability for the Pension Credit in accordance with the WRPA.

- (d) 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.

- (e) The Pension Credit Benefits provided in respect of an Ex-Partner will be subject to the same conditions and options under the Rules.
- (f) Where a Member's benefits under the Scheme are subject to a Pension Sharing Order, the Member's benefits will be subject to a Pension Debit in accordance with the WRPA.

2 EX-PARTNER PARTICIPANTS

The Trustees may at their discretion decide whether or not they wish to allow an Ex-Partner who has not reached age 75 to participate in the Scheme. If they decide to allow the Ex-Partner to participate in the Scheme, the Ex-Partner will be included in the Scheme for Pension Credit Benefits.

3 BENEFITS FOR EX-PARTNER PARTICIPANTS

If the Trustees allow an Ex-Partner to participate in the Scheme under paragraph 2 of this Appendix, references in the Rules of the Scheme to a Member will apply to the Ex-Partner Participant in relation to the Pension Credit Benefit, subject to compliance with social security legislation.

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-Partner Participant in the Scheme and are informed by the transferor 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 Members 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 Appendix, in respect of the transferred-in Pension Credit Rights. Then the individual will acquire the status of an Ex-Partner Participant in the Scheme in relation to his transferred-in Pension Credit Benefits.

Where the Trustees accept a transfer payment and are informed by the transferor of the details of a Pension Debit relating to the transfer payment, the Trustees must take account of the Pension Debit, if appropriate, in the calculation of any limit on benefits for that Member. If any transfer of the fund underlying the benefits for the Member is made to a Registered Pension Scheme or a Qualifying Recognised Overseas Scheme, the Trustees must give full details of the Pension Debit to the receiving scheme.

5 DEATH OF EX-PARTNER BEFORE ARRANGEMENTS IN PLACE

If the Ex-Partner dies after the said Pension Sharing Order is made but before it is acted upon by the Trustees, either or both of the following benefits may be paid:

- (i) a Life Insurance Benefit payable in accordance with Rule 14.1;
- (ii) a non-commutable pension to a Dependant of the Ex-Partner.

The actual benefits to be paid in respect of the Ex-Partner shall be determined by the Trustees implementing the said Order.

The balance (if any) of the fund may be used to provide a non-commutable pension to a dependant of the Ex-Partner.

Such pensions may be fully commuted, however, for a lump sum on the grounds of triviality in accordance with Rule 10.7 at the time such a pension becomes payable.

6 ASSIGNMENT

Notwithstanding the terms of Rule 33, the assignment of part or all of a Member's rights under the Scheme to his Ex-Partner is permitted to the extent necessary to comply with a Pension Sharing Order.