

DATE OF DEED: 26 MAY 1992

RECEIVED
14 JAN 1993
RECEIVED

DEFINITIVE DEED AND RULES FOR
THE HALCROW PENSION SCHEME

(1)

D E F I N I T I V E D E E D F O R :-

THE HALCROW PENSION SCHEME

DEED CLAUSES - CONTENTS

<u>Clause</u>	<u>Page</u>
1. EFFECTIVE DATE; INTERPRETATION; WORDS AND EXPRESSIONS	2/3
(a) Effective date of operation immediately following execution of Interim Deed; action prior to execution not invalidated;	2/3
(b) Interpretation; singular/plural; masculine/feminine; Acts - re-enactments, etc;	3
(c) Words and expressions used are common to both the deed and the Rules.	3
2. TRUSTEES' PERSONAL INTEREST	3
Personal interest does not invalidate Trustees' action.	
3. OPERATION OF PLAN IN CONFORMITY WITH LEGISLATION	3/4
Operation of Plan in conformity with preservation and contracting-out requirements; power to vary provisions to extent that Occupational Pensions Board have similar powers.	
4. AMENDMENT OF TRUST DEED/RULES	4

(ii)

<u>Clause</u>	<u>Page</u>
5. TRUSTEES' POWERS OF INVESTMENT, BORROWING AND UNDERWRITING	4/5
(a) Trustees hold Fund subject to deed/Rules;	4
(b) Segregated Voluntary Contribution Assets;	4
(c) Power to invest;	5
(d) Donations/bequests/gifts;	5
(e) Borrowing powers;	5
(f) Power to underwrite;	5
(g) Power to insure.	5
6. POWER TO ACCEPT TRANSFER IN	6/8
7. POWER TO TRANSFER OUT	8/12
(a) Statutory right to a transfer value;	8/9
(b) Non-statutory transfer value;	9
Provisos relating to (a) and (b).	9/12
8. ADMISSION TO MEMBERSHIP OF THE PLAN	12
Overriding discretions on admission or re-admission of Member:-	
(i) with benefits in another scheme;	12
(ii) where other good reason exists.	12
9. AUGMENTATION	13
10. TRUSTEES' FEES, REMUNERATION AND EXPENSES	13/14
(a) Trustees' entitlement to fees and remuneration;	13
(b) Employers to pay Trustees' fees, remuneration and expenses.	13/14
11. GENERAL POWERS OF TRUSTEES	14/15
(a) Trustees are entitled to act pursuant to (or in connection with) deed and Rules;	14
(b) Trustees to perform duties imposed by legislation;	14
(c) Trustees' costs form part of the Trustees' Plan expenses.	15

<u>Clause</u>	<u>Page</u>
12. RECEIPTS, PAYMENTS AND DEDUCTION OF TAX	15
(a) Arrangements for receipts/payments and delegations/protection of persons accepting receipts;	15
(b) Power to deduct in respect of tax.	15
13. TRUSTEES' MEETINGS, ACCOUNTS, RECORDS ETC; PROFESSIONAL ADVICE TO TRUSTEES; EXPENSES INCURRED AND APPOINTMENT AND REMOVAL OF AUDITORS	15/17
(a) Conduct of Trustees' meetings; resolution by circulation;	15/16
(b) Trustees' accounts, records, etc;	16
(c) Professional advice to Trustees; cost charged to Fund;	16
(d) Appointment/removal of Auditors; duties of Employers and Trustees.	16/17
14. TRUSTEES' POWERS OF DELEGATION/ADMINISTRATION; APPOINTMENT OF AGENTS/NOMINEES	17/18
15. MATTERS OF DOUBT AND POLYGAMOUS MARRIAGES	18/19
(a) Trustees to decide matters of doubt; non-liability for acts, etc. of Trustees/Employers;	18
(b) Trustees to exercise discretion if Member's marriage is polygamous.	19
16. REMOVAL/APPOINTMENT/RESIGNATION OF TRUSTEES	19/20
(a) Power of Principal Employer to remove/appoint Trustees;	19
(b) Minimum number of Trustees;	19
(c) Resignation of Trustees;	19
(d) Principal Employer assuming trusteeship on failure to appoint.	20
17. NON-LIABILITY OF TRUSTEES FOR LOSS IN INVESTMENTS, ETC.	20

<u>Clause</u>	<u>Page</u>
18. TERMINATION OF PRINCIPAL EMPLOYER'S/EMPLOYEES' LIABILITY TO CONTRIBUTE	20
19. CHANGES IN THE PRINCIPAL EMPLOYER	20/22
(a) Transfer of obligations etc. to another body corporate on liquidation, etc. of Principal Employer;	20/21
(b) Determination of Plan on liquidation, etc. of Principal Employer;	21/22
(c) Acquisition of part of the Principal Employer's undertaking.	22
20. DETERMINATION OF THE PLAN	22/23
(a) Events giving rise to determination of the Plan;	22
(b) Termination of Employers'/Members' liability to contribute.	23
21. DETERMINATION OF THE PLAN - NOTIFICATION TO MEMBERS AND APPLICATION OF THE FUND	23/27
(a) Notification to Members/costs of administration; unpaid fees, remuneration and expenses;	23
(b) Application of Segregated Voluntary Contribution Assets (Part B) and the rest of the Fund (Part A);	23/26
(c) Payment of residue to the Employers;	26
(d) Rule 12(j) applies;	26
(e) Transfers-out.	27
22. ADMISSION OF/DETERMINATION OF THE PLAN IN RELATION TO/ ASSOCIATED EMPLOYERS	27/30
(a) Admission of Associated Employer by deed; covenant to observe provisions applying to it;	27/28
(b) Determination of the Plan in relation to Associated Employers;	28
(c) Disposal of assets on determination relating to the Associated Employer; power to retain under trusts.	28/30

<u>Clause</u>	<u>Page</u>
23. NON-ASSIGNABILITY	30/31
24. EMPLOYER'S RIGHT TO TERMINATE EMPLOYEE'S SERVICE NOT RESTRICTED	31
25. LIEN ON BENEFITS FOR DEBTS ETC. OF EMPLOYEE	31
26. POWER TO APPLY UNCLAIMED MONIES	31/32

51P
G 26/6
THIS DEED is made the 26TH day
of MAY one thousand nine hundred and ninety-two



B E T W E E N SIR WILLIAM HALCROWN & PARTNERS LIMITED whose Registered Office is at Vineyard House 44 Brook Green London W6 7BY (referred to in this deed (and the rules attached) as the "Principal Employer" which expression includes any other person who is substituted as Principal Employer pursuant to this deed in respect of the period when that person is the Principal Employer) of the one part

and

ANTHONY CHARLES CADWALLADER, CHRISTOPHER PATRICK BARNARD, WALTER INESON and PETER GEOFFREY GAMMIE all of Vineyard House aforesaid and PETER JAMES CLARIDGE of Leylands 20 Ham Road Wanborough Near Swindon Wiltshire SN4 0DF (referred to in this deed (and the rules attached) as the "Trustees" which expression includes the trustee or trustees for the time being of the Plan) of the other part

W H E R E A S :-

(A) By a deed (referred to in this deed as the "Interim Deed") dated the twenty-first day of February one thousand nine hundred and eighty-nine made between the Principal Employer of the one part, and the trustees (named in the Interim Deed) of the other part, the Principal Employer established under irrevocable trusts to start on (and operate as from) the first day of March one thousand nine hundred and eighty-nine the Retirement Benefits Scheme referred to in the Interim Deed, and known as "The Halcrow Pension Scheme" (referred to in this deed (and the rules attached) as the "Plan")

(B) The Interim Deed provided (amongst other things) that the Plan is to be administered and managed by the Trustees in accordance with the provisions of a definitive deed and rules which the Principal Employer undertook to execute within twenty-four months from the date of execution of the Interim Deed

(C) It is intended that this deed shall be the said definitive deed and that the rules attached to this deed shall be the said rules (referred to in this deed, and the rules attached, as the "Rules").

N O W T H I S D E E D P R O V I D E S a s f o l l o w s :-

1. EFFECTIVE DATE/INTERPRETATION/WORDS AND EXPRESSIONS

(a) Effective Date

THIS deed shall have effect as if it had been executed on the same day as but immediately following the execution of the Interim Deed and, prior to the execution of this deed, the Trustees have administered the Plan in accordance with

- (i) the Interim Deed;
- (ii) written notifications issued to the Members by the Trustees or by the Employer with the Trustees' consent;
- (iii) the requirements contained in Section 63 and Schedule 16 of the Social Security Act 1973 and any regulations made under it relating to the preservation of benefits under the Plan, together with such other requirements of social security legislation as apply to the Plan, and
- (iv) the requirements of Sections 53 to 56 (inclusive) of the Pensions Act and any regulations made under it relating to equal access for men and women to membership of occupational pension schemes

and in a manner which does not prejudice treatment of the Plan as an Exempt Approved Scheme.

This deed shall not invalidate any decision which was taken or power which was exercised by the Trustees and/or an Employer in accordance with the terms of the items in (i), (ii), (iii) and (iv) above prior to the execution of this deed.

(b) Interpretation

In this deed and in the Rules and the Schedule, unless the context requires or stipulates otherwise, words importing the singular number are deemed to include the plural and vice versa, words importing the masculine gender are deemed to include the feminine (except for the references in Parts III and IV of the Schedule and references made directly to a male

Member), and any reference to any statute (or a particular Chapter, Section or Part of it) or to any regulations made under it means and includes any statutory modification, re-enactment or consolidation of it for the time being in force and shall, where appropriate, be interpreted as a reference to the parallel provisions in force in Northern Ireland.

(c) Words and expressions

Words and expressions to which meanings have been ascribed in the preamble, recitals and clauses to this deed have the same meanings wherever they appear in the Rules and the Schedule, and all other words and expressions defined in Part I of the Schedule have the same meanings wherever they appear in this deed.

2. TRUSTEES' PERSONAL INTEREST

NO decision of (or exercise of a power by) the Trustees shall be invalidated or questioned on the grounds that the Trustees (or, in the case of the Trustees (or any one of them) being a body corporate, any member of such body corporate's board of directors) or any individual trustee or trustees had a direct (or personal) interest in the result of any such decision or in the exercising of any such power.

3. OPERATION OF PLAN IN CONFORMITY WITH LEGISLATION

THE Plan shall be operated (a) in conformity with the preservation requirements of the Social Security Act 1973 and regulations made under it, (b) in conformity with the contracting-out requirements of the Pensions Act and regulations made under it, any additional requirements of the Occupational Pensions Board contained in paragraphs 4, 5, 6, 7, 8 and 235 of Memorandum Number 77 ("Scheme Rule Requirements For Contracting-Out Salary Related Schemes") as amended from time to time, and (c) in a manner which does not run contrary to any other overriding legislation affecting pension schemes, and accordingly:-

- (i) if any of the provisions of this deed or the Rules are inconsistent with the requirements as in (a) and (c), then those requirements shall prevail;
- (ii) if any of the provisions of this deed or the Rules are inconsistent with the requirements as in (b) then, with the exception of those provisions necessary for so long as the Plan is to be treated as an Exempt Approved Scheme, those requirements shall prevail, and
- (iii) if any of the provisions of this deed or the Rules (including the calculation of any benefit) are capable of variation by virtue of any power or discretion given to (and exercised by) the Occupational Pensions Board under the Social Security Act 1973, the Trustees shall have a corresponding power or discretion to vary those provisions.

4. AMENDMENT OF TRUST DEED/RULES

THE Principal Employer may at any time, with the Trustees' consent

- (i) by deed executed by the Principal Employer and the Trustees in the case of this deed or the Rules, or
- (ii) by resolution (in writing) of the Principal Employer's board of directors in the case of the Rules only

amend (or add to) all or any of the trusts, powers or provisions of the Interim Deed, this deed or the Rules, and any such amendment or addition shall have effect from such time as may be specified in that deed or resolution and so that the time so specified may be the date of that deed or resolution or any reasonable time previous or subsequent to it, so as to give the amendment or addition retrospective or future effect (as the case may be)

PROVIDED THAT for so long as the Plan is being treated as an Exempt Approved Scheme, any such amendment or addition shall be notified to the Board of Inland Revenue and, for so long as any employment is contracted-out by reference to the Plan or any person is entitled to receive (or has accrued rights to) a Guaranteed Minimum Pension under the Plan, shall not be made without the Occupational Pensions Board's consent if it would affect any of the matters dealt with in Part III of the Pensions Act.

5. TRUSTEES' POWERS OF INVESTMENT, BORROWING AND UNDERWRITING

- (a) Trustees hold Fund subject to deed/Rules

THE Trustees shall hold the Fund upon the trusts and with (and subject to) the powers in this deed and in the Rules declared and contained concerning the same.

- (b) Segregated Voluntary Contribution Assets

The investments, monies and other assets which are attributable to any Voluntary Contributions to procure benefits on a money purchase basis shall be kept separate from the rest of the Fund, and shall be known as "Segregated Voluntary Contribution Assets". The Trustees shall divide the Fund into two parts which shall be known as Part A and Part B:

- (i) Part A shall consist of that part of the Fund which is not attributable to Segregated Voluntary Contribution Assets and shall be applied to the provision of all benefits under the Plan other than Segregated Voluntary Contribution Benefits;
- (ii) Part B shall consist of that part of the Fund which is attributable to Segregated Voluntary Contribution Assets and shall be applied in the provision of Segregated Voluntary Contribution Benefits.

(c) Power to invest

The Trustees shall have power to retain in an account (or place on deposit) with any local authority, company, bank, building society or insurance company of good repute such monies as they may consider proper and shall have power to invest the Fund (and any monies coming into their hands on account of the Plan) and to transpose and vary any such investments in any form of investment which they could make if they were absolutely and beneficially entitled to them. In particular, the Trustees may invest all (or any part) of the Fund (i) in deferred or immediate annuity policies, retirement endowment contracts, or policies and any other contracts or policies and in unit trusts as the Trustees think fit on terms that all sums payable under such contracts, policies or unit trusts shall as and when received by the Trustees be held by them upon trust for the purposes of the Plan; (ii) in any interest in land; (iii) by participating in any scheme of deposit administration or managed fund; (iv) in any article or commodity which, in the Trustees' opinion, will provide a capital profit; (v) in any pooled or common investment fund, investment in which shall, for so long as the Plan is being treated as an Exempt Approved Scheme, be subject to the express approval of the Board of Inland Revenue, or (vi) in the acquisition, sale, exchange or cancellation of financial futures, options of any kind (including traded options whether call or put) and contracts or rights of any nature relating to assets or property of any kind and whether or not receipt or delivery is to be at some future date

PROVIDED THAT any policies referred to in this Clause 5(c) shall be Approved Policies.

(d) Donations/bequests/gifts

The Trustees shall have power to accept any donations, transfers, bequests or gifts for any of the purposes of the Plan.

(e) Borrowing powers

The Trustees shall have power to borrow any monies for the purposes of the Plan and may also charge all (or any part) of the Fund with the due repayment of and payment of interest on any monies so borrowed.

(f) Power to underwrite

With the Principal Employer's prior consent, the Trustees shall have power to enter into underwriting or sub-underwriting contracts on such terms as they (in their absolute discretion) think fit.

(g) Power to insure

The Trustees shall have power to insure (up to any amount) any assets of the Fund against loss, damage or depreciation (from whatever cause).

6. POWER TO ACCEPT TRANSFER IN

IF any Member is entitled or prospectively entitled to any benefit in relation to himself or his Beneficiaries or Personal Representatives or his Dependants under any other Retirement Benefits Scheme, Personal Pension Scheme or Qualified Policy (being an appropriately secured policy of insurance or annuity contract such as is described in Section 52C(4) of the Pensions Act), then in consideration of the Trustees agreeing, with the Principal Employer's consent, to accept for inclusion in the Fund from such other Retirement Benefits Scheme, Personal Pension Scheme or Qualified Policy, any cash sum or investment that its trustees or other person or persons having the necessary powers under it (referred to below as the "Transferor") may be authorised to pay or transfer to them in respect of the Member, the Trustees shall confer on him such rights under the Plan as the Trustees (on the Actuary's advice and with the Principal Employer's agreement) shall determine

PROVIDED THAT:-

- A. the acceptance of any payment or transfer in accordance with this Clause shall be subject to any undertaking given by the Trustees to the Board of Inland Revenue and to any limit on (or reduction of) benefit required to ensure that the Member's total benefit, inclusive of that derived from the amount transferred, does not exceed the maximum that may be paid without prejudicing any current approval of the Plan under the Act;
- B. no part of the assets so received, other than such part of them (referred to below as the "Transferred Contributions") as the Transferor shall certify to be derived (or deemed to be derived) from the contributions (if any) made by the Member under the other Retirement Benefits Scheme, Personal Pension Scheme or Qualified Policy, shall be treated for any rights conferred on the Member in accordance with this Clause as if it had been derived from the Member's Contributions;
- C. the Trustees shall ascertain from the Transferor of any Retirement Benefits Scheme
 - I. whether, at the date when the Member ceased to be in membership of the other Retirement Benefits Scheme, there was in the provisions of that scheme a prohibition on a refund to him of his Transferred Contributions and, if there was, whether it was due to a £5,000 per annum earnings limit, and
 - II. the extent to which rights to benefit under that scheme would have been extinguished had such refund been made;
- D. other than in the case of a Personal Pension Scheme, the Trustees shall ascertain from the Transferor the period of employment which such transfer relates to, and the period of employment which such Transferred Contributions (if any) relate to;

- E. if the Member has a guaranteed minimum in relation to benefit under such other Retirement Benefits Scheme or Qualified Policy, the acceptance of any payment or transfer (in accordance with this Clause) representing the value of the accrued rights of the Member and his widow (or her widower) under such other scheme (or policy) which is equal in value, as determined by the Actuary, to such guaranteed minimum shall be in accordance with Section 38(1) of the Pensions Act and on terms which comply with the requirements of regulations made pursuant to Section 38(1) of the Pensions Act, and in particular shall be conditional upon (i) the Member's written consent having been obtained and he having entered the service of an Employer who is a contributor to the Fund, and (ii) where the Member has not entered Contracted-out Employment by reference to the Plan and such accrued rights arise from a Qualified Policy as mentioned above, pensions shall be payable to (and in respect of) the Member which are of at least equal value to the annuity or annuities which would have been payable under the policy (had the payment or transfer under this Clause not been made) in respect of the accrued rights mentioned above;
- F. if the Member has protected rights in relation to benefit under such other Retirement Benefits Scheme or Personal Pension Scheme, the acceptance of any payment or transfer (in accordance with this Clause), whether or not it forms part of a larger payment giving effect to both protected and other rights, shall (as certified by the Transferor) be of an amount at least equal to the value of such protected rights and shall:-
- (a) be conditional upon (i) the Member's consent having been obtained; (ii) the Member having entered the service of an Employer who is a contributor to the Fund, and (iii) the acceptance of such payment or transfer being made on or after 6th April, 1990, and
 - (b) be on terms which comply with any other requirements of regulations made pursuant to paragraph 9(1)(b) of Schedule 1 of the Social Security Act 1986;
- G. assets equal in value to the value of the accrued rights to a Guaranteed Minimum Pension in respect of a Member, or to the liability for the payment of a Guaranteed Minimum Pension to (or in respect of) a Member who has already become entitled to such pension under the other Retirement Benefits Scheme, which are being paid to (or transferred into) the Plan, may be accepted by the Trustees from another contracted-out Retirement Benefits Scheme without the consent of the Member concerned provided the following condition is satisfied:
- the rights allowed under the Plan in respect of those assets accepted from the other Retirement Benefits Scheme will, in the opinion of the trustees of that scheme and as notified in writing to the Trustees, be at least equal in value to the value of such accrued rights or liability transferred, in circumstances where either:-

- (i) the Plan and the other Retirement Benefits Scheme apply to employment with the same Employer, or
 - (ii) the Plan and the other Retirement Benefits Scheme apply to employment with different employers, the Member concerned is one of a group of individuals in respect of whom payments or transfers are being made from that scheme to the Plan and either:-
 - (a) the transfer is a consequence of a financial transaction between the employers, or
 - (b) the employers are connected employers as defined in regulation 42(2) of the Occupational Pension Schemes (Contracting-out) Regulations 1984, and
- H. where a payment or transfer has been accepted in accordance with this Clause in circumstances where either Proviso E or Proviso G to this Clause applies:-
- (i) pensions for the Member and his widow (or her widower) shall be payable at the rates at which the Guaranteed Minimum Pensions would have been payable by the other Retirement Benefits Scheme (or Qualified Policy) if the transfer had not taken place,
 - (ii) the conditions of payment relating to Guaranteed Minimum Pensions under the Plan shall apply equally to those transferred into the Plan, and
 - (iii) the commencement date for payment of a Guaranteed Minimum Pension to a person who had already become entitled to such payment under the other Retirement Benefits Scheme is the date from which liability for payment of the same is assumed by the Plan.

7. POWER TO TRANSFER OUT

FOR the purpose of this Clause and subsequent clauses, "Receiving Agent" means the trustees (or other person or persons) of a Retirement Benefits Scheme or Personal Pension Scheme who are authorised under it to determine rights which a Member will become entitled to under it, where such rights are derived from a transfer of assets in accordance with this Clause.

(a) Statutory right to a transfer value

Subject to Rule 12(o), in the event of a Member:-

- (i) leaving Service or terminating his Pensionable Service in accordance with Rule 2(f), or
- (ii) ceasing to be a Member because he has been notified by the Employer that he is no longer eligible for membership in accordance with Rule 2(g),

he may by application in writing to the Trustees, subject to his acquiring (in accordance with Rule 12(o)) a right to the cash equivalent of benefits accrued for and in respect of him, require the Trustees, instead of granting all or any part of the benefits (which he is entitled or prospectively entitled to under the Plan) in relation to himself, his Beneficiaries, Personal Representatives or Dependants, to transfer from the Fund pursuant to this Clause to any other Retirement Benefits Scheme or Personal Pension Scheme under which benefits are provided for or in respect of him (which, for so long as the Plan is to be treated as an Exempt Approved Scheme, shall be a Qualified Scheme) such assets of equal value, as determined by the Actuary in accordance with Rule 12(o), to such part of the cash equivalent as has not been applied in accordance with paragraph (ii)B or C of that Rule 12(o), to the intent that such Member will become entitled to such rights under that Retirement Benefits Scheme (or Personal Pension Scheme) as shall be determined by the Receiving Agent.

(b) Non-statutory transfer value

If a Member, in either of the events specified in paragraph (i) or (ii) of Clause 7(a), has not acquired a right to the cash equivalent of benefits accrued for or in respect of him or does not exercise such right in accordance with Rule 12(o), or has lost such right, and benefits are provided for or in respect of him under any other Retirement Benefits Scheme or Personal Pension Scheme (which, for so long as the Plan is to be treated as an Exempt Approved Scheme, shall be a Qualified Scheme), the Trustees may, with the consent of the Principal Employer and, subject to Proviso K below, the Member, instead of granting all or any part of the benefits (which the Member is entitled or prospectively entitled to under the Plan) in relation to himself, his Beneficiaries, Personal Representatives or Dependants, transfer from the Fund pursuant to this Clause to such other Retirement Benefits Scheme or Personal Pension Scheme such assets representing their value, as shall be determined by the Actuary, to the intent that such Member will become entitled to such rights under that Retirement Benefits Scheme (or Personal Pension Scheme) as the Receiving Agent shall decide

PROVIDED THAT in transferring assets from the Fund in accordance with Clause 7(a) or (b):-

- A. the Trustees shall ascertain from the Receiving Agent the particular Section of the Act under which (if it is so approved) the Qualified Scheme is approved by the Board of Inland Revenue;
- B. any transfer of assets from the Plan shall be subject to any undertaking relating to such transfer given by the Trustees to the Board of Inland Revenue;
- C. to the extent of those benefits in relation to which assets have been transferred, the receipt of the Receiving Agent shall, except as otherwise provided by statute, discharge the Trustees of all liability to (and in respect of) such Member under the Plan and the Trustees shall be under no liability to see to the application of the assets so transferred;

- D. the Trustees shall certify to the Receiving Agent the amount of the assets derived (or deemed to be derived) from contributions which the Member was required to pay to the Fund as a condition of membership of the Plan and those contributions (if any) paid by the Member to the Fund which he was not so required to pay;
- E. the Trustees shall certify to the Receiving Agent the period of Service which such transfer relates to;
- F. if
- (a) any lump sum benefit is to be provided under a Personal Pension Scheme in respect of assets which are to be transferred to it in accordance with this Clause, or
 - (b) the Member is, or has been at any time during the period of ten years prior to the date on which his Pensionable Service terminates (for whatever reason), a Special Director or his annual remuneration is (or was for any year during that period) equivalent to, or greater than, the permitted maximum as defined in Section 590C(2) of the Act,
- then unless the Board of Inland Revenue permit otherwise, the Trustees shall not transfer those assets unless and until the Receiving Agent has confirmed receipt of a certificate signed by (or on behalf of) the Trustees in a form consistent with regulations made pursuant to Section 638(2) of the Act;
- G. except as otherwise provided for in Proviso K below, if the Member is a Contracted-out Member he has not reached State Pensionable Date;
- H. if the Member who at the date when the transfer is made to such other Retirement Benefits Scheme or Personal Pension Scheme (but not to a Retirement Benefits Scheme under which there are Contracted-out Employments nor to an appropriate personal pension scheme (as defined in the Social Security Act 1986)), consents to the transfer of the excess of accrued rights to, or the excess of the liability for the payment of, Guaranteed Minimum Pension in respect of himself and his widow (or her widower) under the Plan, assets representing the value (as determined by the Actuary) of such excess accrued rights or pension of the Member, his Beneficiaries, Personal Representatives and Dependants may, insofar as the Member has not applied to the Trustees to apply the cash equivalent of his benefits in accordance with paragraph (ii)B or C of Rule 12(o), be transferred to such other Retirement Benefits Scheme or Personal Pension Scheme and the residual balance of accrued rights to, or the liability for the payment of, Guaranteed Minimum Pension shall be preserved under the Plan unless the Trustees decide to pay a Transfer Premium, in which case paragraph (v) of Rule 16(f) shall apply accordingly;
- I. assets representing the value (as determined by the Actuary) of the accrued rights to, or the liability for the payment of, Guaranteed Minimum Pension for (or in respect of) the Member may, insofar as the Member has not applied to the Trustees to apply the cash equivalent of his benefits in accordance with paragraph (ii)B or C of Rule 12(o), with the consent of the Member concerned, and subject

to Rule 16(g), be transferred to an overseas scheme on condition that the Member has entered employment to which the overseas scheme applies, that employment is outside the United Kingdom, and the transfer is approved by the Occupational Pensions Board, whether or not subject to conditions;

J. the transfer of assets representing the value, as determined by the Actuary, of the accrued rights to Guaranteed Minimum Pension (if any) of the Member and his widow (or her widower) to such other Retirement Benefits Scheme (or Personal Pension Scheme) shall be subject to Rule 16(g), in accordance with Section 38(1) of the Pensions Act and on terms which comply with the requirements of regulations made pursuant to it. In particular:-

- (i) such rights may be transferred to a money purchase contracted-out scheme (as defined in Section 66(1) of the Pensions Act) only with the Member's consent and subject to the Member entering the employment of an employer who is a contributor to the scheme concerned and on condition that the transfer payment (whether or not it forms part of a larger payment in respect of both Guaranteed Minimum Pension and other accrued rights) is of an amount at least equal to the cash value of the Member's accrued rights to Guaranteed Minimum Pension as calculated and verified in a manner consistent with regulations made under paragraph 14 of Schedule 1A of the Pensions Act;
- (ii) such rights may be transferred to a scheme which was formerly a money purchase contracted-out scheme (as defined in Section 66(1) of the Pensions Act, but which the Occupational Pensions Board are under a duty to supervise in accordance with Section 49 of that Act) only with the Member's consent and subject to the Member entering the employment of an employer who is or was a contributor to the scheme concerned and on condition that the transfer payment is approved by the Occupational Pensions Board and is of an amount at least equal to that described in paragraph (i) of this Proviso;
- (iii) such rights may be transferred to an appropriate personal pension scheme (as defined in the Social Security Act 1986) only with the Member's consent and on condition that the transfer payment is of an amount at least equal to that described in paragraph (i) of this Proviso, and
- (iv) the Trustees shall obtain from the Receiving Agent of such a scheme as is referred to in paragraphs (i), (ii) and (iii) immediately above, a certificate to the effect that such rights will be applied so as to provide money purchase benefits for (or in respect of) the Member;

K. subject to Rule 16(g), assets representing the value, as determined by the Actuary, of the accrued rights to a Guaranteed Minimum Pension in respect of a Member and the liability for the payment of a Guaranteed Minimum Pension to or in respect of a Member who has already become entitled to such a pension, may, without his consent, insofar as he has not applied to the Trustees to apply the cash equivalent of his benefits in accordance with paragraph (ii)B or C

of Rule 12(o), be transferred to another Retirement Benefits Scheme being a Contracted-out Salary Related Scheme or a Section 49 Salary Related Scheme, where the rights allowed under it are, in the Trustees' opinion, at least equal in value to the value of such accrued rights (or liability) transferred and either:-

- (i) the Plan and the other Retirement Benefits Scheme apply to employment with the same Employer, or
- (ii) the Plan and the other Retirement Benefits Scheme apply to employment with different employers, and the Member concerned is one of a group of individuals in respect of whom payments or transfers are being made from the Plan to that scheme and either:-
 - (a) the transfer is a consequence of a financial transaction between the employers, or
 - (b) the employers are connected employers as defined in regulation 42(2) of the Occupational Pension Schemes (Contracting-out) Regulations 1984, and

- L. except as provided in Proviso K above, the transfer to a Contracted-out Salary Related Scheme or to a Section 49 Salary Related Scheme of assets representing the value, as determined by the Actuary, of the accrued rights to (or the liability for the payment of) Guaranteed Minimum Pension, must be with the Member's consent and, if the transfer is of the accrued rights of the Member to such pension, he must have entered employment with an employer who is a contributor to such other scheme.

8. ADMISSION TO MEMBERSHIP OF THE PLAN

SUBJECT to Rule 2, the admission or re-admission to membership of the Plan of any person:-

- (i) who is entitled or prospectively entitled to benefit in relation to himself, his Beneficiaries, Personal Representatives or Dependants under any other Retirement Benefits Scheme, Personal Pension Scheme or Qualified Policy (being an appropriately secured policy of insurance or annuity contract such as is described in Section 52C(4) of the Pensions Act), or
- (ii) with respect to whom, in the Trustees' opinion, there is good reason to do so

may in either case be subject to such special terms as shall be determined by the Trustees, with the Principal Employer's consent, as to:-

- I. the date from which such admission or re-admission is to take effect;

- II. the rate of Member's Contributions (if any) but subject to any relevant maximum set out in Part II of the Schedule;
- III. the Member's entitlement (or prospective entitlement) to benefit in relation to himself, his Beneficiaries, Personal Representatives or Dependants in respect of any previous period of membership of the Plan, and
- IV. the provision in any circumstances of a greater or a smaller benefit for the Member in relation to himself, his Beneficiaries, Personal Representatives or Dependants than would otherwise have been provided under the Rules

PROVIDED THAT for so long as the Plan is to be treated as an Exempt Approved Scheme, no such greater benefit shall be such as will exceed any relevant maximum set out in Part II of the Schedule, nor shall the Trustees exercise their powers under this Clause in such manner as would prejudice such treatment.

9. AUGMENTATION

IF and for so long as the Plan is to be treated as an Exempt Approved Scheme, then subject to the provisions of Part II of the Schedule, the Trustees may, with the Principal Employer's consent, grant any new and additional Relevant Benefits to any person, or augment any of the Relevant Benefits (including pensions in payment) which any person may be entitled to under this deed or the Rules.

10. TRUSTEES' FEES, REMUNERATION AND EXPENSES

(a) Trustees' entitlement to fees and remuneration

ANY trustee of the Plan shall be entitled to fees or remuneration for his (or its) services as a trustee at a rate to be agreed from time to time between such trustee and the Principal Employer. In addition to any such fees or remuneration, any trustee of the Plan, any firm of which that trustee is a partner and any subsidiary or associated company of that trustee (or in which he is interested, whether as an officer or shareholder) shall be entitled to retain beneficially any brokerage, commission, fee or remuneration payable directly or indirectly to him (or it).

(b) Employers to pay Trustees' fees, remuneration and expenses

The Employers shall pay all fees and remuneration which any trustee is entitled to under the Plan, together with all expenses incurred by the Trustees in connection with the Plan, in such proportion as the Principal Employer shall decide: The Principal Employer and the Trustees may agree that such payment shall be included in the Employers' contributions payable in accordance with Rule 3(b) or that it be in addition to those contributions or that it be partly by one such method and partly by the other method

PROVIDED THAT:-

- A. unless it has been agreed accordingly that Trustees' fees, remuneration and expenses are payable in addition to the contributions payable in accordance with Rule 3(b) or if the Employers commit any breach of such agreement, the Trustees shall be entitled to any such payment out of the Fund, and
- B. if the Actuary at any time certifies to the Trustees that, in his opinion, the Employers' obligations under this Clause could be suspended in respect of the whole (or part) of the Trustees' fees, remuneration or expenses for a specified period, the Trustees may, with the Principal Employer's agreement, suspend those obligations accordingly, and
 - (i) where there has been an agreement for payment of Trustees' fees, remuneration and expenses by the Employers in addition to the contributions payable in accordance with Rule 3(b), the whole (or part) of those fees, remuneration and expenses shall be payable out of the Fund during any such period of suspension, or
 - (ii) where there has been an agreement that the Employers' contributions in accordance with Rule 3(b) shall include contributions in respect of Trustees' fees, remuneration and expenses, the contributions which would otherwise be payable by the Employers shall be appropriately reduced. In a case in which the Employers' obligations under this Clause are wholly suspended, the Trustees shall be entitled to any such fees, remuneration and expenses out of the Fund. In a case in which the Employers' obligations under this Clause are not wholly suspended but are suspended in part, the Trustees shall be entitled to any such fees, remuneration and expenses out of the Fund except to the extent (if any) to which those obligations are not suspended.

11. GENERAL POWERS OF TRUSTEES

- (a) Trustees are entitled to act pursuant to (or in connection with) deed and Rules

THE Trustees shall have (and be entitled to exercise) all powers, rights and privileges in connection with the Plan requisite or proper to enable them to carry out all or any transactions, acts, deeds or things arising under (or in connection with) this deed or the Rules.

- (b) Trustees to perform duties imposed by legislation

The Trustees shall perform all duties (including those relating to the disclosure of information in respect of occupational pension schemes; imposed upon them by statute or subordinate legislation relating to the administration and management of the Plan and shall have (and be entitled to exercise) all powers, rights and privileges required to enable them to perform any such duties.

(c) Trustees' costs form part of the Trustees' Plan expenses

The cost of performing or carrying out the duties, transactions, acts, deeds or things referred to in Clause 11(a) and (b) shall form part of the expenses incurred by the Trustees in connection with the Plan.

12. RECEIPTS, PAYMENTS AND DEDUCTION OF TAX

(a) Arrangements for receipts/payments and delegations/protection of persons accepting receipts

THE Trustees shall make all necessary arrangements for dealing with receipts and payments under the Plan and may by any memorandum signed by all of them (or, in the case of the Trustees being a body corporate, by any duly authorised officer of that body corporate) authorise that cheques may be drawn or endorsed by such one or more of the Trustees or by such other person (if any) as they may appoint for that purpose and may give, vary and revoke instructions as to the custody and disposal of any part of the Fund and as to the signature of proposal forms, certificates of membership and the giving of receipts and discharges (whether or not for policy monies or payments) in connection with the Plan on the Trustees' behalf. The production of a written authority of the Trustees shall be sufficient protection to any person taking such receipts and discharges (or otherwise acting under that authority) and unless such person has received written notice of the revocation of that authority, he shall be entitled to act on the assumption that it remains in force and to be indemnified out of the Fund in respect of any claim arising out of any such act done in good faith and all costs, charges and expenses incurred in connection with it, despite any intervening change in the Trustees.

(b) Power to deduct in respect of tax

In the event of the repayment of a Member's Contributions or the payment of any other cash sum being made under the Rules in relation to which (or to some part of it) the Trustees are liable to or accountable for tax, the Trustees shall be entitled to deduct from it any such tax for which they are so liable or accountable.

13. TRUSTEES' MEETINGS, ACCOUNTS, RECORDS ETC; PROFESSIONAL ADVICE TO TRUSTEES; EXPENSES INCURRED AND APPOINTMENT AND REMOVAL OF AUDITORS

(a) Conduct of Trustees' meetings; resolution by circulation

IF there is more than one trustee of the Plan:-

- (i) the Trustees may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit and may elect one of their number to be chairman of their meeting

PROVIDED THAT in the event of equality of votes on the election of a chairman, he shall be chosen by lot;

- (ii) where there are three or more trustees at a meeting of the Trustees, all business brought before that meeting shall be decided by a majority of the votes of the trustees present (and voting on it) and in the case of equality of votes, the chairman of the meeting shall have a second or casting vote
 - (iii) a resolution in writing signed by a majority of the Trustees but of which due notice shall have been given to all of the Trustees individually shall be as effectual as if it had been passed at a meeting of the Trustees and may consist of one or more documents in similar form each signed by one (or more) of the Trustees, and
 - (iv) two trustees present at a Trustees' meeting (notice of which has been given to all the Trustees) shall form a quorum.
- (b) Trustees' accounts, records etc.

The Trustees shall keep such accounts, entries, registers and records as are necessary for the proper working of the Plan, and shall maintain separate accounts in respect of the Segregated Voluntary Contribution Assets (and in respect of the rest of the investments, monies and other assets constituting the Fund) and may at their discretion maintain a separate account for each Member in respect of Voluntary Contributions and record in that account that part of the Segregated Voluntary Contribution Assets which is attributable to such Member.

(c) Professional advice to Trustees; cost charged to Fund

The Trustees may (in relation to this deed and the Rules) obtain or act upon the advice or opinion of any lawyer, banker, broker, Actuary, Auditor, investment adviser, accountant, medical practitioner or other person and shall not be responsible for any loss occasioned as a result. The cost incurred by the Trustees in obtaining any such advice or opinion shall form part of the expenses incurred by the Trustees in connection with the Plan.

(d) Appointment/removal of Auditors; duties of Employers and Trustees

- I. Where required by the Disclosure Regulations or by the Principal Employer:-
 - (i) the Trustees shall appoint one or more persons, approved by the Principal Employer, to be the Auditor for the purpose of auditing accounts in respect of the Plan, and
 - (ii) the Trustees shall obtain, as soon as reasonably practicable after the end of each Accounting Period, audited accounts and a report from the Auditor in respect of the Plan for that period, both being in a form which meet the requirements of the Disclosure Regulations.
- II. The Trustees may, by notice in writing to the Auditor, remove the person or persons for the time being acting as the Auditor and appoint another person or persons to act as the Auditor. Following the removal (or resignation) of the person or persons acting as th

Auditor, the Trustees shall be under a duty to furnish to the person or persons succeeding as the Auditor, such statements as are required in accordance with regulation 3(7) of the Occupational Pension Schemes (Auditors) Regulations 1987.

III. The Employers shall be under a duty to furnish the Trustees and the Auditor with such information and explanation as may reasonably be required by the Auditor for the performance of his duties in connection with the Plan.

IV. The Trustees shall be under a duty:-

- (i) to allow the Auditor to have access at all reasonable times to any books, accounts and vouchers which are being, or have been, used in connection with the Plan, and
- (ii) to furnish the Auditor with such information and explanation as he may reasonably require for the performance of his duties.

14. TRUSTEES' POWERS OF DELEGATION/ADMINISTRATION; APPOINTMENT OF AGENTS/NOMINEES

THE Trustees shall have (and may exercise) the following special powers in addition to all other powers conferred on them by this deed, by the Rules or by statute, namely:-

- (i) power to delegate (and authorise the sub-delegation of) any power, duties or business, including the exercise of any discretion or the formation of any opinion, to:
 - (1) any one (or more) of their number, or
 - (2) any other person (including an investment manager authorised by one of the Statutory Regulatory Organisations in accordance with the Financial Services Act 1986) acting alone or with others

as the Trustees deem necessary or desirable for the execution of their powers and duties under the Plan. Any such delegation and the revocation of it must be by the unanimous resolution of the Trustees (other than the delegate), except to the extent that the delegation or revocation falls within paragraph (ii) of this Clause. In addition, the Trustees may authorise any investment manager (or other delegate) appointed in accordance with this Clause, or any agent of that investment manager (or delegate) to

- I. hold any part of the Fund in his name and to his order;
- II. place any documents of title (to any part of the Fund) in safe custody with such one or more persons (whether within or outside the United Kingdom) as he thinks fit.

Any such documents so placed shall be held to the order of the Trustees, who shall not be responsible for the loss (or destruction) of those documents; and

- III. retain any fees, remuneration and expenses, which shall be paid out of the Fund, unless they are otherwise paid by the Employers;
- (ii) power to delegate and revoke, by a resolution passed by a majority of the Trustees (excluding the delegate), the exercise of all or any discretionary powers of a purely administrative nature;
 - (iii) power to make such arrangements generally for the administration of the Plan as they may think fit and in particular, (a) to employ and pay nominees, agents and staff for any purpose (including that of holding in their names, either alone or with others, any investments of the Fund at any time) and a secretary to transact any business of the Plan, including the receipt and payment of money, and (b) to pay remuneration (to be approved by the Principal Employer) to any such person or persons. Any remuneration so paid shall form part of the expenses incurred by the Trustees in connection with the Plan, and
 - (iv) power to appoint any one (or more) of the Employers or any Approved Underwriter with which any contracts or policies have been effected in accordance with Clause 5(c) as their agent for the purpose of paying any pension or pensions which arise under the Plan and the payment of such pension or pensions by any such Employer or Approved Underwriter to the person or persons entitled to receive the same under the Plan shall be a complete discharge to the Trustees for the payment of it.

15. MATTERS OF DOUBT AND POLYGAMOUS MARRIAGES

- (a) Trustees to decide matters of doubt; non-liability for acts, etc. of Trustees/Employers

SUBJECT to the powers conferred by this deed or the Rules on the Principal Employer or the Employers, the Trustees shall decide all questions and matters of doubt arising under this deed or the Rules and every such decision, whether made upon a question actually raised or implied in the acts or proceedings of the Trustees, shall, so far as the law permits, be conclusive and neither any persons (including any body corporate) being or having formerly been a trustee nor the Principal Employer nor the Employers shall be liable for (or for the consequences of) any act done or omitted to be done or any payment made or omitted to be made in pursuance (or purported pursuance) of any such decision, even if such decision is subsequently held to have been wrongly made.

(b) Trustees to exercise discretion if Member's marriage is polygamous

Subject to Clause 15(a), in the event of a Member who has contracted a polygamous marriage dying and leaving more than one spouse surviving, any pension payable under the Plan which is expressed to be payable to the Member's widow (or widower) shall be paid as the Trustees (in their absolute discretion) shall decide to any one of such surviving spouses or be apportioned between any two or more of them in such shares as the Trustees think fit

PROVIDED THAT:-

- A. any conditions that would have had to be satisfied by a sole surviving spouse for the pension to be payable to her (or him) shall also apply to each such surviving spouse to whom that pension is to be paid or between whom it is to be apportioned, and
- B. in the case of a Contracted-out Member, the Trustees shall exercise their discretion in such manner (and to such extent) as may be required to satisfy the requirements of Part III of the Pensions Act.

16. REMOVAL/APPOINTMENT/RESIGNATION OF TRUSTEES

(a) Power of Principal Employer to remove/appoint Trustees

THE Principal Employer shall have power by deed:-

- (i) to remove any of the Trustees from office;
- (ii) to appoint a new trustee of the Plan in place of any of the Trustees who ceases to be such a trustee for any reason, and
- (iii) to appoint (without limit as to number) any additional trustee or trustees of the Plan.

(b) Minimum number of Trustees

The Principal Employer's powers (as specified in Clause 16(a)) shall be exercised in such manner that the number of Trustees will not be less than two

EXCEPT THAT a body corporate may remain (or be appointed) as sole trustee of the Plan.

(c) Resignation of Trustees

The Trustees (or any of them) may resign by serving on the Principal Employer one month's notice in writing to that effect, which shall be delivered (or sent) to the Principal Employer's registered office, and at the expiry of that notice, the Trustees (or the trustee or trustees resigning in this way) shall be deemed to have retired from the trust and the Principal Employer shall execute such documents and do such things as may be necessary to give proper effect to that retirement.

(d) Principal Employer assuming trusteeship on failure to appoint

If the number of Trustees falls below the minimum stipulated by Clause 16(b) and the Principal Employer fails to make an appointment in compliance with that Clause, then the Principal Employer and its chairman (or managing director) and secretary shall be the Trustees or (where an individual remains a trustee of the Plan) additional trustees of the Plan as appropriate.

17. NON-LIABILITY OF TRUSTEES FOR LOSS IN INVESTMENTS, ETC.

NO trustee of the Plan shall be responsible, chargeable or liable in any manner whatsoever for (or in respect of) any loss of, nor for any depreciation in (or default upon), any of the investments, securities, stocks or policies in which the Fund (or any part of it) may at any time be invested in accordance with the provisions of this deed, nor for any delay which may occur (from whatever cause) in the investment of any monies belonging to it, nor for the safety of any securities or documents of title deposited by the Trustees for safe custody, nor for the exercise of any discretionary power conferred on the Trustees by this deed or the Rules (including any act or omission by any agent, staff or delegate appointed by the Trustees), nor for anything else except wilful default on the part of the trustee who is sought to be made liable.

18. TERMINATION OF PRINCIPAL EMPLOYER'S/EMPLOYEES' LIABILITY TO CONTRIBUTE

THE Principal Employer may at any time (but without prejudice to its liability for the payment of any contributions which have become payable) terminate its liability and (where applicable) that of its Employees to contribute to the Fund by notice in writing to the Trustees.

19. CHANGES IN THE PRINCIPAL EMPLOYER

(a) Transfer of obligations etc. to another body corporate on liquidation, etc. of Principal Employer

IN any of the following events, that is to say:-

- (i) if the Principal Employer goes into liquidation and another body corporate (whether in contemplation of or after such liquidation) enters into an agreement with the Trustees and the Principal Employer (or its liquidator) to perform the Principal Employer's obligations under this deed and the Rules;
- (ii) if the Principal Employer's undertaking is acquired by (or vested in) any other body corporate and such other body corporate either enters into an agreement with the Trustees and the Principal Employer (or its liquidator), or is bound by virtue of (or pursuant to) any statutory provision or any order of the court made under it (or otherwise) to perform the said obligations;

- (iii) if the Principal Employer is dissolved by virtue of (or pursuant to) any statutory provision or any order of the court made under it (or otherwise) and another body corporate is bound by virtue of (or pursuant to) any statutory provision or any order of the court made under it (or otherwise) to perform the said obligations, or
- (iv) in circumstances other than those specified in paragraphs (i), (ii) and (iii) of this Clause 19(a) and in Clause 19(c), if another body corporate, with the approval of the Board of Inland Revenue, enters into an agreement with the Trustees and the Principal Employer (or its liquidator), or is bound by virtue of (or pursuant to) any statutory provision or any order of the court made under it (or otherwise) to perform the said obligations,

the Principal Employer shall thereby be released from all the said obligations and such other body corporate (as referred to above) shall be deemed to be substituted for the Principal Employer as the person liable to perform those obligations and from that time on, this deed and the Rules shall have effect as if that other body corporate had been a party to (and had executed this deed in place of) the Principal Employer and as if references in this deed and the Rules to the Principal Employer were references to that body corporate.

(b) Determination of Plan on liquidation, etc. of Principal Employer

In any of the following events, that is to say:-

- (i) if the Principal Employer goes into liquidation and if at the time of such liquidation or at any time after that, there is no such agreement as is referred to in paragraph (i) of Clause 19(a), and the Trustees are of the opinion that there is no reasonable expectation of such agreement;
- (ii) if the Principal Employer's undertaking is acquired by (or vested in) any body corporate and if at the time of such acquisition or at any time after that, there is no such agreement as is referred to in paragraph (ii) of Clause 19(a) and such other body corporate is not bound as mentioned in the said paragraph (ii), and the Trustees are of the opinion that there is no reasonable expectation of such agreement or of any other body corporate becoming so bound;
- (iii) if the Principal Employer is dissolved in the manner referred to in paragraph (iii) of Clause 19(a) and if at the time of such dissolution or at any time after that, no other body corporate is bound as mentioned in the said paragraph (iii), and the Trustees are of the opinion that there is no reasonable expectation of any such body corporate becoming so bound, or
- (iv) if such other circumstances as are referred to in paragraph (iv) of Clause 19(a) occur and if at the time of such occurrence or at any time after that, there is no such agreement as is referred to in the said paragraph (iv) and

such other body corporate is not bound as mentioned in the said paragraph (iv), and the Trustees are of the opinion that there is no reasonable expectation of such agreement or of any such body corporate or any other body corporate becoming so bound,

the Trustees may either determine the Plan and wind up the Fund or may by deed exercise the power to amend (or add to) any of the trusts, powers and provisions of this deed and the Rules conferred upon the Principal Employer by Clause 4 and may make such arrangements or enter into such agreements (not being arrangements or agreements of such a kind as to cause the Plan, if being treated as an Exempt Approved Scheme, to cease to be so treated if the continuation of such treatment is required) as they shall (in their absolute discretion) think fit for the continuation of the Plan, subject however to Clause 20(a) subsequently becoming applicable.

(c) Acquisition of part of the Principal Employer's undertaking

If a part of the Principal Employer's undertaking is acquired, paragraph (B) of Clause 22(c) shall apply.

20. DETERMINATION OF THE PLAN

(a) Events giving rise to determination of the Plan

THE Plan shall be determined in accordance with Clause 21 upon the happening of any one of the following events:-

- (i) the Principal Employer terminating its liability and (where applicable) that of its Employees to contribute to the Fund (unless the Trustees resolve that the determination of the Plan shall be deferred);
- (ii) the Principal Employer failing at any time to pay to the Trustees any sum (or sums) due under this deed or the Rules (or within 14 days after) the date on which the Trustees may have required the same to be paid, or the Principal Employer failing to observe and perform any other of its obligations under this deed or the Rules or under any deed or agreement supplemental to this deed (unless the Trustees resolve that the determination of the Plan shall be deferred);
- (iii) the Trustees exercising the power to wind up the Fund conferred on them in certain events by Clause 19;
- (iv) the Trustees resolving to determine the Plan at any time after it would have been determined (under any one of paragraphs (i), (ii) and (iii) immediately above) but for a resolution by the Trustees that such determination shall be deferred, and
- (v) the Trustees resolving to wind up the Fund at any time after they might have exercised the power to wind up the same conferred on them in certain events by Clause 19.

(b) Termination of Employers'/Members' liability to contribute

Upon the Fund being wound up, the liability of each of the Employers and (where applicable) the Members to contribute to it, if not already terminated under paragraph (i) of Clause 20(a), shall terminate, but without prejudice to their liability for the payment of any contributions which have become payable or which have accrued, and the Fund shall be held upon the trusts declared by Clause 21.

21. DETERMINATION OF THE PLAN - NOTIFICATION TO MEMBERS AND APPLICATION OF THE FUND

(a) Notification to Members/costs of administration; unpaid fees, remuneration and expenses

UPON the determination of the Plan at any time, the Trustees shall notify in writing each Member or (where appropriate) each Dependant or Beneficiary or the Personal Representatives of a deceased Member entitled or prospectively entitled to benefit, and before applying the Fund in accordance with this Clause, the Trustees shall be entitled to reserve out of it such amount as they consider may be necessary to meet any expenses of the administration and of the determination of the Plan (including any unpaid fees, remuneration or expenses payable in accordance with Clause 10) which in their opinion may not be recoverable from the Employers and to meet any tax for which they may be liable or accountable.

(b) Application of Segregated Voluntary Contribution Assets (Part B) and the rest of the Fund (Part A)

Upon any such determination of the Plan (as referred to in Clause 21(a)), the Trustees shall, insofar as (and to the extent that) they have not, prior to determination of the Plan, refunded the Members' Voluntary Contributions in accordance with paragraph (ii) of Rule 12(d), apply Part B in the provision of Segregated Voluntary Contribution Benefits and, after having done that, shall apply Part A as directed below, that is to say:-

FIRST -

in securing, insofar as they have not already done so,

- (i) the payment of their pensions to those persons who are already in receipt of them out of the Fund and the payment of any other benefits in respect of which entitlement to payment has already arisen;
- (ii) the payment of their pensions and other benefits to those Contracted-out Members for whom payment of such benefits has been deferred beyond the earlier of Normal Pension Date and State Pensionable Date and to those other Members for whom payment of such benefits has been deferred beyond Normal Pension Date;

- (iii) to the Dependants of Members for whom pensions are secured under paragraphs (i) and (ii) of this Clause 21(b), the payment of the pensions and other benefits which such Dependants are prospectively (or contingently) entitled to under the Plan on the said Members' deaths

PROVIDED THAT the liabilities specified in paragraphs (i), (ii) and (iii) of this Clause 21(b) shall rank equally;

SECOND -

in securing so far as the remaining assets of the Fund will permit,

- (iv) to the Members entitled to them and to the extent that they have not already been secured under paragraphs (i) and (ii) of this Clause 21(b), any such benefits as are excluded by Section 33(5) of the Pensions Act from Members' Guaranteed Minimum Pensions;
- (v) Guaranteed Minimum Pensions and accrued rights to them, insofar as such benefits have not been secured under paragraphs (i), (ii) and (iii) of this Clause 21(b);
- (vi) the payment of any State Scheme Premiums which the Trustees are liable for;
- (vii) the payment of a pension to each Contracted-out Member who has not reached the earlier of Normal Pension Date and State Pensionable Date and to each other Member who has not reached Normal Pension Date and who, in either case, has neither retired with an immediate pension, nor is being provided with a return of his Member's Contributions under paragraph (ii) of Rule 12(d), such pension to start:-
 - I. at the earlier of Normal Pension Date and State Pensionable Date in the case of a Contracted-out Member or at Normal Pension Date in the case of each other Member, with an option in each case for the Member to elect a reduced pension starting at any date on which, if he elects to retire then, he could have been granted an immediate pension in accordance with Rule 10 and (unless he has previously left Service) on which he does so elect, or
 - II. immediately PROVIDED THAT the Member elects to retire once and is granted an immediate pension in accordance with Rule 10,

and

- (viii) to each Dependant of a Member for whom a pension is secured under paragraph (vii) of this Clause 21(b), the payment of a contingent pension (becoming payable upon the Member's death) which the Dependant is prospectively entitled to under the Rules

PROVIDED THAT the liabilities specified in paragraphs (v) and (vi) of this Clause 21(b) shall rank equally but (1) after the liabilities specified in paragraph (iv) and (2) before the liabilities specified in paragraphs (vii) and (viii) of this Clause 21(b) (which, together with refunds of Members' Contributions which fall to be paid in accordance with paragraph (ii) of Rule 12(d), shall rank equally) and PROVIDED FURTHER THAT in respect of each Member, the pensions to be secured under paragraphs (vii) and (viii) shall be calculated:-

- A. having regard to the value, as determined by the Actuary, of the interests in the Fund (or Part A as appropriate) of the Member and his Dependants, reduced by the value of any benefits secured in respect of the Member under paragraphs (iv) and (v) of this Clause 21(b) or deemed to be secured under Rule 16(f) if an Accrued Rights Premium has been (or will be) paid in respect of the Member;
- B. except for a Member who, in accordance with Rule 2(g), has ceased to be a Member prior to the event which gave rise to the determination of the Plan in accordance with Clause 19 or 20 (or the determination of the Plan relating to an Associated Employer in accordance with Clause 22(b)), by deeming a Member in Service at the date of determination of the Plan to leave Service at that date and to be entitled to Short Service Benefit (other than Segregated Voluntary Contribution Benefits (if any) already secured, but inclusive of any benefits secured in respect of the Member under paragraphs (iv) and (v) of this Clause 21(b), or deemed to be secured under Rule 16(f) if an Accrued Rights Premium has been (or will be) paid in respect of the Member) in accordance with Rule 12, and
- C. in respect of a Member who, in accordance with Rule 2(g), has ceased to be a Member prior to the event which gave rise to the determination of the Plan in accordance with Clause 19 or 20 (or the determination of the Plan relating to an Associated Employer in accordance with Clause 22(b), on the basis of the whole or part of Short Service Benefit and other preserved benefit (if any) which he remains entitled to in accordance with Rule 12 (other than Segregated Voluntary Contribution Benefits (if any), but inclusive of any benefits secured in respect of the Member under paragraphs (iv) and (v) of this Clause 21(b) or deemed to be secured under Rule 16(f) if an Accrued Rights Premium has been (or will be) paid in respect of the Member), and

THIRD -

in respect of such part of the balance of the Fund then remaining unexpended in their hands as the Trustees after consultation with the Principal Employer shall decide, in augmenting any of the pensions or other benefits (except any Member's Contributions returned to the Member in accordance with Rule 12(d)) under the FIRST and SECOND applications above, or in providing Relevant Benefits for Beneficiaries or for Dependants, subject always to the limits set out in Part II of the Schedule

PROVIDED THAT:-

- A. where any pension (including the pension equivalent of all benefits in cash form and the equivalent of any pension to be provided for any person in accordance with Rule 6(c)) payable under this Clause 21(b), when aggregated with that provided under all the Employer's Schemes, is not greater than the Trivial Pension Limit or where a Member entitled to any pension (under the Plan) is in exceptional circumstances of serious ill-health, the Trustees may elect to pay a single lump sum in lieu of such pension, subject in each of these circumstances to the requirements of Rule 16(e);
- B. the provisions of Rule 6 shall apply in like manner to any pension secured for a Member in accordance with this Clause 21(b) and which starts on or after the date of determination of the Plan, Provided that the provisions of Rule 8(a) shall apply in like manner to any contingent pension secured for a Dependant in accordance with this Clause 21(b), and the provisions of Rule 12(h) shall apply in like manner to any deferred pension secured in accordance with this Clause 21(b) for a Member who leaves Service after the date of determination of the Plan;
- C. subject to Provisos A and B above, any pension payable in accordance with this Clause 21(b) shall be non-commutable and non-assignable and
- D. any benefits payable in accordance with this Clause 21(b) may, subject to Clause 21(e), be secured by purchasing Approved Policies in accordance with Rule 12(j) and in the case of any such Members referred to in the SECOND application above, may be on such terms (consistent with approval under the Act) as to the payment of any benefit on the death of any Member in respect of whom the policy is issued, as the Trustees shall (in their absolute discretion) think fit to arrange, but not so that the value of the pension as of any benefit so secured shall together be in excess of the value of the Member's interest in the Fund as mentioned above.

(c) Payment of residue to the Employers

If after the benefits under the FIRST, SECOND and THIRD applications of Clause 21(b) have been provided any balance of the Fund then remain unexpended, the Trustees shall, subject to having obtained the prior agreement (in writing) of the Superannuation Funds Office of the Inland Revenue, and to having met any tax for which they may be liable or accountable, and to Clause 21(e), pay the residue to the Employers in proportions as shall be determined by the Actuary.

(d) Rule 12(j) applies

The provisions of Rule 12(j) shall apply in relation to any benefits to be secured in accordance with this Clause.

(e) Transfers-out

Subject to the Trustees having obtained the prior agreement of the Superannuation Funds Office of the Inland Revenue, and to having met any tax for which they may be liable or accountable, and to the Provisos to Clause 7 and to the Members' consent, unless such consent is not required under the said Provisos, or exceptions A or B to this Clause 21(e) apply; the Trustees may, instead of applying the assets of the Fund by way of

- (i) securing all or any of the benefits in the manner described in Proviso D to Clause 21(b), and also
- (ii) if the Trustees so decide, where a payment to the Employers falls to be made in accordance with Clause 21(c), making such payment or part of it,

transfer to another Retirement Benefits Scheme or Personal Pension Scheme (which, if the Plan was treated as an Exempt Approved Scheme immediately before its determination, shall be a Qualified Scheme) such of the assets of the Fund which would otherwise have been so applied, together with all other assets (if any) then remaining in the Fund, to the intent that the Members, Dependants and Beneficiaries whose benefits would otherwise have been secured in the manner described in Proviso D to Clause 21(b) will be entitled to such rights in that other scheme as the Receiving Agent (as defined in Clause 7) shall decide

EXCEPT THAT:-

- A. in the case of a Member who, upon the determination of the Plan, is in Service, his consent shall not be required to the transfer of his accrued rights to another Retirement Benefits Scheme relating to the same or another employment with his Employer (or its successor), where such transfer takes place with a view to the Member acquiring transfer credits under that scheme, and
- B. in the case of a Member who, upon the determination of the Plan, is not in Service, his consent shall not be required to the transfer of his Short Service Benefit or, as the case may be, liability for the payment of his pension, to another Retirement Benefits Scheme which, if he were to be in employment as in exception A above, would satisfy the provisions of that exception.

22. ADMISSION OF/DETERMINATION OF THE PLAN IN RELATION TO/ ASSOCIATED EMPLOYERS

- (a) Admission of Associated Employer by deed; covenant to observe provisions applying to it

THE Principal Employer may, with the Trustees' consent, admit to participation in the Plan an employer being a corporate body, association, partnership or individual associated in business with the Principal Employer or a subsidiary company of the Principal Employer (or otherwise

approved for the purposes of this Clause 22(a) by the Board of Inland Revenue) and extend the benefits of the Plan to such directors and employees and former directors and employees of any such employer as are (or may be) eligible for membership of the Plan

PROVIDED THAT:-

- A. for so long as the Plan is to be treated as an Exempt Approved Scheme, the prior consent of the Board of Inland Revenue has been obtained to the participation of such employer, and
- B. any such employer shall enter into a deed by which it covenants with the Trustees to comply with (and observe the provisions of) this deed and the Rules so far as they are applicable to it as an Associated Employer.

(b) Determination of the Plan in relation to Associated Employers

The participation of an Associated Employer (and its Employees) in the Plan shall cease and determine if one or more of the following events occur:-

- (i) the Associated Employer gives to the Trustees notice in writing of its intention to discontinue its participation in the Plan and to terminate its liability and (where applicable) that of its Employees to contribute to the Fund;
- (ii) the Associated Employer fails to perform and observe the provisions referred to in Proviso B to Clause 22(a);
- (iii) an order is made or an effective resolution is passed (other than for the purposes of reconstruction or amalgamation) for the winding-up of the Associated Employer, or
- (iv) the Associated Employer's participation ceases to be satisfactory for the purposes of approval of the Plan under the Act but so that despite such cessation, the Associated Employer may continue to participate in the Plan for such period (if any) not extending beyond the anniversary of the Commencement Date next but one following the date of such cessation as that Associated Employer and the Trustees shall agree.

(c) Disposal of assets on determination relating to the Associated Employer; power to retain under trusts

- (A) If an Associated Employer ceases (in accordance with Clause 22(b)) to participate in the Plan, the appropriate portion of the Fund applicable to:
 - (i) Members in the employment of that Associated Employer, and
 - (ii) if the Trustees in consultation with the Principal Employer so decide, any Members who had at any time been in such employment,

shall be determined by the Actuary and in relation to all those Members, the provisions of Clause 21 (other than exceptions A and B to Clause 21(e)) shall then, with due alteration of details, be applied to the said portion of the Fund.

(B) If

- (i) part of the Principal Employer's undertaking or an Associated Employer's undertaking (or any part of it) is acquired by another body corporate (not being an Associated Employer, nor the Principal Employer) or another person or persons, or
- (ii) a purchaser other than the Principal Employer (or an Associated Employer) acquires a majority of the issued share capital of an Associated Employer, in circumstances where continued participation of that Associated Employer would be satisfactory for the purposes of approval of the Plan under the Act,

the appropriate portion of the Fund applicable to

- (a) in the case of (i) above, such of the Members as shall cease to be Employees of the Principal Employer or of the Associated Employer, as the case may be, as a result of such acquisition of the undertaking or part of it, and, if the Trustees in consultation with the Principal Employer so decide, any Members who had at any time been employed in the undertaking (or part of it so acquired), or
- (b) in the case of (ii) above, such of the Members as are employed by the Associated Employer, a majority of the issued share capital of which has been so acquired, and, if the Trustees in consultation with the Principal Employer so decide, any Members who had at any time been so employed

shall, but only if the Trustees in consultation with the Principal Employer so decide, be determined by the Actuary and in relation to those Members, the provisions of Clause 21 shall then, with due alteration of details, be applied to the appropriate portion of the Fund. In such case, any such Members as are present Employees of, or were at any time employed by (if included as mentioned above), the Associated Employer a majority of the issued share capital of which has been so acquired, and the Associated Employer itself, shall cease to participate in the Plan.

- (C) If after the implementation of paragraph (A) or paragraph (B) of this Clause 22(c) and after the benefits under the FIRST, SECOND and THIRD applications of Clause 21(b) have been provided any balance of the appropriate portion of the Fund then remains unexpended, the Trustees shall pay such balance to the Employers in such proportion as shall be determined by the Actuary unless the Trustees in consultation with the Principal Employer decide that such balance is to be retained in the Fund

PROVIDED THAT where the Actuary has determined the appropriate portion of the Fund, and if the Trustees so agree, and subject to the consent of the Associated Employer, or, where a part of the Principal Employer's undertaking is being acquired, of the Principal Employer, the assets constituting the appropriate portion may be segregated from the assets constituting the remainder of the Fund (in which case, the provisions of Clause 21 shall not then be applied to the appropriate portion) and continue to be held by the Trustees upon and subject to the trusts, powers and provisions of this deed and the Rules until such date as the Trustees shall determine, not being later than the date of the winding up of the Fund as a whole but on the basis that, on such date, the assets constituting the appropriate portion so segregated shall be available as assets to secure only the benefits for (or in respect of) the Members to whom the appropriate portion was applicable when it was determined by the Actuary, that no further Employees of the Associated Employer shall be admitted to membership of the Plan, that no further contributions shall be made by the Associated Employer, nor by the Principal Employer, in respect of any such Members, nor by any of such Members themselves, and that the segregated appropriate portion shall at no time be available to secure the benefits of (or in respect of) any other Members.

23. NON-ASSIGNABILITY

THE assignment by a Member (or any other person entitled to Relevant Benefits under the Plan) of any benefit under the Plan is prohibited, and if any Member or other person either wholly or partially assigns or charges any present or future benefit arising under the Plan or attempts or purports to do so, or if any other act is done or event happens, with the result that such benefit, if belonging absolutely to the Member (or other person), would be vested in or payable to (or charged in favour of) any other individual, firm or company, the Member or other person shall forfeit all rights whatsoever to such benefit

EXCEPT THAT a Guaranteed Minimum Pension payable to a Contracted-out Member or to his widow (or her widower) shall not be forfeited in this way, but shall remain payable to the Member or to the widow (or widower) as the case may be, unless such payment is suspended in accordance with Rule 14(a).

If any benefit is forfeited in this way, the Trustees shall, as from the date on which they receive notice of the act or event causing such forfeiture, hold the forfeited benefit upon trust for the general purposes of the Plan, but with power (if they so think fit) to pay or apply that benefit (or any part of it) at their sole and absolute discretion in case of hardship to, or for the benefit of, all or any one or more (to the

exclusion of the other or others) of the Member and his Dependants or, if a person other than a Member is concerned, such other person and the persons who bear the same relationships to him as Dependants bear to a Member, but so that in no circumstances shall any payment be made to a purported assignee or chargee.

24. EMPLOYER'S RIGHT TO TERMINATE EMPLOYEE'S SERVICE NOT RESTRICTED

NOTHING in this deed (or the Rules) shall in any way restrict the Employer's right to terminate a Member's Service, nor be used in aggravation of damages in any action, counterclaim or suit brought by such Member against the Employer in respect of the termination of his Service.

25. LIEN ON BENEFITS FOR DEBTS ETC. OF EMPLOYEE

THE benefits provided under the Plan in respect of a Member (excluding Guaranteed Minimum Pensions and accrued rights to them, the benefits arising by virtue of a transfer payment pursuant to Clause 6 and any equivalent pension benefits which the Member may be entitled to in accordance with Rule 17) shall, unless the Trustees with the Employer's consent decide otherwise, stand charged with the payment of any monetary obligation due to the Employer arising out of a criminal, negligent or fraudulent act or omission of that Member

PROVIDED THAT:-

- A. such charge shall not exceed the lesser of (i) the value, as determined by the Actuary, of any present or future benefits arising under the Plan in respect of the Member, and (ii) the amount of the obligation;
- B. the Trustees shall give the Member a certificate showing the amount to be so paid to the Employer and the effect of such payment on his present or future benefits under the Plan, and
- C. in the event of the Member disputing the amount to be so paid to the Employer, the Employer shall not be entitled to enforce such payment until the obligation has become enforceable under an order of a competent court or the award of an arbitrator.

Production of a certificate signed by (or on behalf of) the Employer that any amount is so owing to it shall be sufficient evidence of the fact.

26. POWER TO APPLY UNCLAIMED MONIES

ANY monies payable out of the Plan and not claimed within six years from the date on which they were due to be paid may (at the Trustees' discretion) be applied:-

- (i) in augmenting the benefits of those Members still in Service;
- (ii) in reducing the Employer's contributions to the Plan, or
- (iii) in payment of the expenses of the management and administration of the Plan.

FOR THE PROVISION of which this deed has been executed by the parties to it on the date which first appears on page 1.

EXECUTED by SIR WILLIAM HALCROW & PARTNERS LIMITED by the affixing of its common seal in the presence of:

P G Curmin

Director
A. C. Cadwallader
Secretary

SIGNED AS A DEED by the said ANTHONY CHARLES CADWALLADER in the presence of:

A. C. Cadwallader

B. C. Denny
18 Spring Close
New Malden
Surrey KT3 5BQ
Senior Executive

SIGNED AS A DEED by the said CHRISTOPHER PATRICK BARNARD in the presence of:

[Signature]

K Denny
32 Deer Farm Rd
Ruislip Wickham HA4 7TX
Secretary

SIGNED AS A DEED by the said
WALTER INESON in the presence of:

W. Ineson

Am. P. Walker.

6 Tallis Walk

Grange Park

Swindon

Cashier

SIGNED AS A DEED by the said
PETER GEOFFREY GAMMIE
in the presence of:

P. Gammie

G. B. Emany

56 Mulghues Road

Catling, London W5 1LE

Secretary.

SIGNED AS A DEED by the said
PETER JAMES CLARIDGE
in the presence of:

P. J. Claridge

H. J. Master

15, Ham Rd

Upper Waulborough

Milts SN4 0DF

Retired Engineer.

R U L E S O F :-

THE HALCROW PENSION SCHEME

RULES - CONTENTS

<u>Rule</u>	<u>Page</u>
1. DEFINITIONS AND INTERPRETATION	1
(a) Definitions;	1
(b) Modifications for directors;	1
(c) Notification to Members.	1
2. MEMBERSHIP	1/3
(a) Eligibility; for Specified Members;	1
(b) Concurrent membership of a Personal Pension Scheme;	1/2
(c) Date of admission;	2
(d) Notification; application, furnishing of information; effect of wrong information; failure to join when first eligible;	2
(e) Right to benefits on admission;	2
(f) Member may terminate his Pensionable Service;	2
(g) Cessation of membership;	2/3
(h) Temporary retention in membership for up to 12 months;	3
(i) Re-entry into membership.	3
3. CONTRIBUTIONS AND LIMITS	3/7
(a) Member's contributions (if any); in relation to Specified Members; voluntary contributions;	3/5
(b) Employer's contributions; basis; reviews;	5
(c) Actuarial reviews.	6/7
4. BENEFITS AND LIMITS	7/8
(a) Which benefits/amounts; in relation to Specified Members;	7
(b) Limitation of amounts.	7/8

<u>Rule</u>	<u>Page</u>
5. MEMBER'S PENSION	8/9
(a) Provision of pension; monthly for life, etc;	8
(b) Payment on death before expiry of fixed five year period;	8
(c) Alternative forms of pension/fixed period; restrictions.	8/9
6. OTHER PROVISIONS RELATING TO MEMBER'S PENSION	9/11
(a) Restriction on operation of Rule 6 in relation to Rule 8;	9
(b) Commutation of pension;	9/10.
(c) Dependant's pension by surrender of Member's pension;	10/11
(d) Redeployment of pension increases.	11
7. BENEFITS ON MEMBER'S DEATH	11/13
(a) While still in Service	
I. return of Member's Contributions (if any),	
II. lump sum benefit,	
III. Dependants' pensions;	11/12
(b) Payment under discretionary power, etc;	12/13
(c) Payment to widow(er), etc;	13
(d) Payment to Personal Representatives.	13
8. DEPENDANTS' PENSIONS	13/15
(a) On Member's death after retirement; duration, etc;	13/14
(b) Effect of alternative fixed period in Rule 5(c);	14
(c) Effect of early or late retirement of Member.	14
9. PENSION INCREASES	15
(a) Increases to pensions in payment;	15
(b) When payable and terminated;	15
(c) Restriction on commutation in accordance with Rule 6(b).	15

<u>Rule</u>	<u>Page</u>
10. RETIREMENT BEFORE NORMAL PENSION DATE	15/16
(a) Immediate payment of reduced pension;	15
(b) How payable;	16
(c) Lump sum death benefit prior to Normal Pension Date.	16
11. RETIREMENT AFTER NORMAL PENSION DATE	16/19
(a) Deferred payment of increased pension;	16/17
(b) How payable;	17
(c) Payment of pension and/or lump sum at Normal Pension Date/other date prior to actual retirement;	17/18
(d) Payment on death before actual retirement/effect on death payment of election in accordance with Rule 11(c).	18/19
12. TERMINATION OF PENSIONABLE SERVICE	19/38
(a) Right to Short Service Benefit; notification to Qualifying Members;	19/20
(b) Discretionary award of Short Service Benefit in relation to Non-Qualifying Members;	20
(c) Benefit for a Non-Qualifying Member who is not granted or entitled to benefit in accordance with Rule 12(b);	21
(d) Right to all or part of Member's Contributions in appropriate circumstances; conditions and restrictions applying;	21/23
(e) Discretionary award of benefits payable on death before Short Service Benefit becomes payable; entitlement of Contracted-out Member;	23/24
(f) How Short Service Benefit is payable;	24
(g) Revaluation of Short Service Benefit which exceeds Guaranteed Minimum Pension;	24/25
(h) Pensions may start before Normal Pension Date;	25/26
(i) Pensions may start after Normal Pension Date;	26
(j) Purchase of Approved Policies in name of Member, Beneficiary, Personal Representatives, Dependant or trustee;	26/31
(k) Trustees liable for payment of a Contributions Equivalent Premium;	31
(l) Anti-franking of Guaranteed Minimum Pension increases in accordance with Rule 16(d);	31

<u>Rule</u>	<u>Page</u>
(m) Alternative to Short Service Benefit to reflect the value of Short Service Benefit (including revaluation);	31/32
(n) Money purchase alternative to Short Service Benefit;	32/33
(o) Member's right to a cash equivalent on termination of Pensionable Service.	33/38
 13. TEMPORARY ABSENCE	 38/39
(a) Retention in Plan; Rule 12 does not apply;	38/39
(b) Continuation/suspension of Member's Contributions; effect;	39
(c) Discretion to maintain death benefits;	39
(d) Overriding provisions of Rule 16.	39
 14. DISABILITY OR INCAPACITY OF MEMBER, BENEFICIARY OR DEPENDANT	 39/40
(a) Power to pay other person(s), body corporate or institution;	39
(b) Conclusive evidence of physical/mental incapacity.	40
 15. SPECIAL PROVISIONS IN RELATION TO DIRECTORS	 40/41
(a) Inclusion of directors in the Plan;	40
(b) Director's fees;	40
(c) Maximum benefits in respect of a Restricted Director or Special Director who remains in Service after Normal Pension Date; lump sum benefits payable on death in Service of a Restricted Director or Special Director on or after age 75;	40/41
(d) Maximum aggregate benefits for a Controlling Director or a Restricted Director or Special Director;	41
(e) Female Restricted Director's or Special Director's Normal Pension Date.	41
 16. GUARANTEED MINIMUM PENSIONS	 42/47
(a) Operation in accordance with this Rule;	42
(b) Guaranteed Minimum Pension;	42
(c) Postponement of Guaranteed Minimum Pension;	42/43
(d) Revaluation;	43/44
(e) Commutation of Member's Guaranteed Minimum Pension;	44/45
(f) Payment of State Scheme Premiums;	45/47
(g) Information to be given to the Secretary of State for Social Security;	47
(h) Reduction of a Member's benefits on account of overpayment of State Scheme benefits.	47

<u>Rule</u>	<u>Page</u>
17. NATIONAL INSURANCE ACTS	47
(a) Definitions;	47
(b) Scope of application of Rule 17;	47
(c) Entitlement to equivalent pension benefits;	47/48
(d) Surrender of equivalent pension benefits is not allowed;	48
(e) Trustees' entitlement to make a deduction.	48
18. TRUST DEED TO PREVAIL	48
SCHEDULE - CONTENTS	
I. DEFINITIONS	49/64
II. MAXIMUM MEMBER'S CONTRIBUTIONS AND BENEFITS ALLOWED BY THE INLAND REVENUE	65/72
III. MEMBERSHIP, CONTRIBUTIONS (IF APPLICABLE) AND BENEFITS OF SPECIFIED MEMBERS (EXCLUDING SPECIFIED MEMBERS WHOSE PENSIONABLE SERVICE HAS TERMINATED IN ACCORDANCE WITH RULE 12 AND WHO HAVE NOT RE-ENTERED MEMBERSHIP IN ACCORDANCE WITH RULE 2(i))	73/76
IV. BENEFITS OF SPECIFIED MEMBERS WHOSE PENSIONABLE SERVICE HAS TERMINATED IN ACCORDANCE WITH RULE 12	77/80

eng

R U L E S of
THE HALCROW PENSION SCHEME

1. DEFINITIONS AND INTERPRETATION

(a) Definitions

Throughout the Rules and the Schedule, unless the context requires or stipulates otherwise, words and expressions defined in Part I of the Schedule have the meanings ascribed to them in that Part.

(b) Modifications for directors

In relation to the inclusion of a director in the Plan, the provisions of the Rules and the Schedule shall be read as modified by Rule 15.

(c) Notification to Members

Any notification to a Member or any other person required by the provisions of the Rules shall be made in writing by the Trustees or by the Employer with the Trustees' consent.

2. MEMBERSHIP

(a) Eligibility; for Specified Members

The Employees eligible to become Members shall (subject to the Trustees' consent) be those who on the date on which they are to be admitted to membership have not reached Normal Pension Date and, except as provided for in Rule 2(b), are not participating in a Personal Pension Scheme covering earnings on which benefits under the Plan are based, and who the Employer shall inform the Trustees are so eligible

PROVIDED THAT any Employee who at the Participating Date or on any subsequent day is within the appropriate category or categories set out in Part III of the Schedule shall (unless the Employer decides otherwise and the Employee is notified accordingly) be eligible for membership.

(b) Concurrent membership of a Personal Pension Scheme

For so long as the Plan is to be treated as an Exempt Approved Scheme, an Employee who is participating in a Personal Pension Scheme covering earnings on which benefits under the Plan are based shall be eligible to become a Member in accordance with Rule 2(a) or be re-admitted into membership of the Plan only if:-

- (i) he is not required to contribute to the Fund in accordance with paragraph (i) of Rule 3(a) and he is provided solely with benefits under the Plan payable in the event of his death, or

Speared
Mohsen

(ii) the Board of Inland Revenue otherwise permit.

(c) Date of admission

An Employee shall be admitted to membership of the Plan on the day on which he is first eligible unless some other date is agreed between the Trustees and the Employer.

(d) Notification; application, furnishing of information; effect of wrong information; failure to join when first eligible

An Employee who is eligible for membership in accordance with Rule 2(a) shall be so notified in writing and may be required to make formal application in order to be able to join the Plan, and to furnish such information, particulars and evidence as shall in each case be required by the Trustees. If information, particulars or evidence so furnished is such as to give rise to a modification of benefit (or benefits) or if such information or any particular or evidence is not furnished or is subsequently found to be incorrect, the Trustees shall determine and shall notify to the Member, his Beneficiary or Dependant as the case may be the extent (if any) to which the benefit (or benefits) will be modified. If any Employee who is eligible for membership declines to become a Member, he shall not be admitted to membership after that time, except with the consent of the Employer and the Trustees and subject to such conditions as the Trustees may require.

(e) Right to benefits on admission

An Employee shall, on being admitted to membership of the Plan, become entitled to its benefits in accordance with (and subject to) the Trust Deed and the Rules.

(f) Member may terminate his Pensionable Service

A Member who remains in Service may, if he so desires and by informing the Trustees or the Employer in writing, terminate his Pensionable Service (for further accrual of Long Service Benefit) either upon the expiry of such period of notice (if any) as shall have been notified to the Member in accordance with Rule 1(c), or at such other date as shall be agreed between the Trustees and the Employer.

(g) Cessation of membership

Although referred to as a Member in relation to any benefit which he or any other person may be (or may become) entitled to under the Plan, a Member shall cease to be a Member if he terminates his Pensionable Service in accordance with Rule 2(f), or if he has been notified by the Employer that he is no longer eligible for membership. If a Member has terminated his Pensionable Service in accordance with Rule 2(f), then for so long as he is not required to contribute to the Fund in accordance with paragraph (i) of Rule 3(a), such benefits may be provided in respect of him, which are payable on his death in accordance with Rule 7, as shall have been notified to him in accordance with Rule 1(c). In addition to such benefits (if any) as may be provided in respect of a Member in accordance with Rule 7, the benefits which have accrued in respect of him at the date of cessation of membership, together with additional Relevant Benefits (if any) being provided in accordance with paragraph (ii) of

Rule 3(a), shall continue to be provided under the Plan, subject to the provisions of the Trust Deed and Rules.

(h) Temporary retention in membership for up to 12 months

If in accordance with Rule 2(g), a Member would otherwise cease to be a Member or if he leaves Service and in either case becomes prospectively eligible for another Retirement Benefits Scheme (but not a Personal Pension Scheme), he may for a period not exceeding 12 months until he becomes a member of that scheme be deemed by the Trustees at the Employer's request, and with the Member's consent, to remain in Service and/or a Member of the Plan in relation to such of his benefits and (where appropriate) Member's Contributions as shall be agreed.

(i) Re-entry into membership

A Member who has terminated his Pensionable Service in accordance with Rule 2(f) or who has been notified by the Employer that, in accordance with Rule 2(g), he is no longer eligible for membership, may subsequently be permitted by the Trustees, with the Principal Employer's consent, to re-enter membership of the Plan, subject to Clause 8 of the Trust Deed and this Rule.

3. CONTRIBUTIONS AND LIMITS

(a) Member's contributions (if any); in relation to Specified Members; voluntary contributions

- (i) If and for so long as the Plan is to be treated as an Exempt Approved Scheme, no rate of contribution fixed in accordance with this paragraph may be altered before the first anniversary of the date on which the first payment at that rate became due, unless the specific agreement of the Board of Inland Revenue has been obtained. Subject to Part IIA of the Schedule and to Rule 2(h), and if the Employer so requires, each Member shall, if and for so long as he has neither terminated his Pensionable Service in accordance with Rule 2(f) nor been notified by the Employer that, in accordance with Rule 2(g), he is no longer eligible for membership of the Plan, contribute to the Fund, as a condition of membership of the Plan, towards the cost of the Relevant Benefits payable to (or in respect of) him at such rate as the Employer, with the Trustees' consent, shall in its absolute discretion decide

EXCEPT THAT (unless the Employer, with the Trustees' consent, decides otherwise and the Member is notified accordingly) a Specified Member shall, subject to the provisions above, contribute in each Plan Year at the appropriate rate set out in Part III of the Schedule.

- (ii) Subject to paragraph (vi) of this Rule 3(a) and to Part IIA of the Schedule, and after the expiry of such period of notice (if any) as shall have been notified to him in accordance with paragraph (iv) of this Rule 3(a), a Member may, if he so desires, contribute to the Fund (over and above the contributions (if any) which he is required

to pay as a condition of membership of the Plan) at such rate as he thinks fit (but subject to a minimum rate as the Employer, in accordance with paragraph (v) of this Rule 3(a), may require) and at such frequency as the Employer shall permit, in order to provide additional Relevant Benefits, the value of which shall, in the Trustees' opinion, be reasonable, having regard to the amount of the contributions paid in accordance with this paragraph and, except for additional Relevant Benefits provided which are money purchase benefits, to the value (for the purposes of Part II of the Schedule) of the other benefits under the Plan. These Relevant Benefits shall be payable to (or in respect of) him at such intervals and in such manner as the Employer, with the Trustees' consent, shall in its absolute discretion decide and as shall be notified in writing to the Member PROVIDED THAT where such voluntary contributions begin on or after 8th April, 1987, the Relevant Benefits so secured shall be in the form of non-commutable pension, unless

(a) those Relevant Benefits are

- I. payable in lump sum form in accordance with Rule 7, or
- II. commuted (in accordance with any provision of the Trust Deed or the Rules) on the grounds of triviality or serious ill-health,

or

(b) the Board of Inland Revenue permit otherwise.

- (iii) After the expiry of such period of notice (if any) as shall have been given by a Member in accordance with a notification given to him by the Employer under paragraph (iv) of this Rule 3(a), a Member may terminate, resume or adjust the rate (subject to Part IIA of the Schedule and to paragraph (v) of this Rule 3(a)) of any contributions being paid in accordance with paragraph (ii) of this Rule 3(a).
- (iv) The Employer may require a period of notice to be given by the Member (which shall not exceed twelve months) to elapse before accepting contributions from the Member in accordance with paragraph (ii) of this Rule 3(a) or before permitting any termination, resumption or adjustment of the rate (as referred to in paragraph (iii) of this Rule 3(a)) of such contributions and shall notify the Member in writing of any such period of notice for the time being in force. The Employer shall have power to dispense with, reimpose or adjust the length (subject to a maximum of twelve months) of any such period of notice and shall notify the Members in writing accordingly if it exercises that power.
- (v) The Employer may require that contributions paid in accordance with paragraph (ii) of this Rule 3(a) are paid at a rate not less than a minimum rate and shall notify the Member of any such minimum rate for the time being in force. The Employer shall have power to dispense with, reimpose or adjust such minimum rate and, if it exercises that power, shall notify the Members in writing accordingly EXCEPT THAT such minimum rate shall at no time exceed 0.5 per cent of the Member's earnings in a tax year, or, if greater,

3 times the lower earnings limit (within the meaning of Section 1 of the Pensions Act) for that tax year.

- (vi) If and for so long as the Plan is to be treated as an Exempt Approved Scheme, then (1) if the Member's Pensionable Service has terminated, that Member shall not contribute to the Fund unless the Employer permits and the prior agreement of the Board of Inland Revenue has been obtained, and (2) subject to the approval of the Board of Inland Revenue, if any one (or more) of sub-paragraphs (a) to (c) below applies, a Member may contribute to the Fund in accordance with paragraph (ii) of this Rule 3(a), but only if (and only to the extent that) the Employer permits:
 - (a) the Member is entitled only to benefits provided in accordance with Rule 7;
 - (b) the Member has attained, or is within 12 months of attaining Normal Pension Date, or
 - (c) the Member is a member (or is eligible to become a member) of another Retirement Benefits Scheme in relation to the Employer which complies with "the voluntary contributions requirements" of Section 12(1) of the Social Security Act 1986 and which has not been excepted from the application of Section 12(1)(a) and (b) of that Act.
- (vii) Any reference in the Trust Deed or in the Rules to a Member's Contributions shall include references to contributions made as detailed in (ii) above EXCEPT THAT any reference (whether implied or otherwise) to a return of, or a benefit equal in value to, Member's Contributions shall, insofar as they represent contributions made as detailed in (ii) above, be deemed to include a reference to a return of or a benefit equal in value to the value (as determined by the Trustees) of the investments, monies and other assets representing the contributions as detailed in (ii) above at the time such benefit is granted or refund made.
- (viii) Any limit on a Member's Contributions necessary to comply with Part IIA of the Schedule shall be applied, as far as is practicable, by means of a level restriction throughout the remainder of the Member's membership of the Plan.
- (ix) Each Member's contributions shall be deducted from salary or wages by the Employer and paid to the Trustees. No contributions shall be payable on or after Normal Pension Date unless the Employer decides otherwise and the Member is notified accordingly.
 - (b) Employer's contributions; basis; reviews
 - (i) Each Employer shall from time to time make such contributions to the Fund as shall be determined by the Actuary to be required, together with the Members' contributions (if any) under Rule 3(a), to enable the Trustees to provide the benefits of the Plan.
 - (ii) The said contributions shall be calculated on a basis agreed between the Trustees and the Principal Employer and shall be subject to review at intervals of not more than three years and six months.

(c) Actuarial reviews

- (i) The Trustees shall, at intervals not greater than three years and six months, arrange for the Actuary to make a signed actuarial valuation and statement about the Fund's financial position. Any such actuarial valuation and statement shall satisfy the Disclosure Regulations and be made available to Members, other Plan beneficiaries and any independent trade union recognised to any extent for the purposes of collective bargaining.
- (ii) If any such actuarial valuation made in accordance with the principles of (and fulfilling the requirements of) statutory regulations made pursuant to Schedule 22 of the Act, discloses that the value of the Fund exceeds the value of the liabilities of the Plan by a percentage which is more than the maximum (if any) prescribed by statutory regulations then in force, the following provisions shall apply. To the extent that statute permits, and the Board of Inland Revenue have approved, that excess may be reduced by such one (or more) of the following ways as the Trustees in consultation with the Principal Employer shall decide:-
- (1) by augmenting Relevant Benefits being provided under the Plan;
 - (2) by providing Relevant Benefits which are not being provided under the Plan but which are permitted by the Rules;
 - (3) by the Employers suspending or reducing their contributions to the Fund for a period of five years or less;
 - (4) by the Members suspending or reducing their contributions to the Fund for a period of five years or less;
 - (5) by paying all or part of that excess to the Employers in such proportions as shall be determined by the Actuary;
 - (6) by such other ways as may be prescribed by statutory regulations.
- (iii) Notwithstanding any actuarial valuation of the Plan made in accordance with paragraph (ii) of this Rule 3(c), if the Actuary is at any time of the opinion that the value of the Fund exceeds the value of the liabilities of the Plan and for that (or any other) reason, certain alterations are recommended to be made to the benefits or to the contributions payable under the Plan, the Trustees in consultation with the Principal Employer may make such of those alterations or take such other action as they deem expedient to reduce that excess, except the payment of money out of the Fund to the Employers. If a payment to the Employers should be required by the Board of Inland Revenue to be made as a condition for their continued treatment of the Plan as an Exempt Approved Scheme, such a payment shall, unless the Plan is no longer to be treated as an Exempt Approved Scheme, be made by the Trustees in such proportions as shall be determined by the Actuary.

- (iv) If any actuarial valuation discloses that the value of the Fund is less than the value of the liabilities of the Plan, such action shall be taken as the Principal Employer shall agree with the Trustees on the Actuary's advice.

4. BENEFITS AND LIMITS

(a) Which benefits/amounts; in relation to Specified Members

Subject to the provisions of the Rules and in particular, subject always to Rule 16 and Rule 4(b), there shall be provided in respect of a Member for himself, his Beneficiaries, Personal Representatives or Dependants, such of the Relevant Benefits permitted by the Rules, and in relation to each such Relevant Benefit, in such amount or at such rate, as the Employer, with the Trustees' consent, shall in its absolute discretion decide and as shall be notified to the Member in accordance with Rule 1(c)

PROVIDED THAT:-

- A. (unless the Employer, with the Trustees' consent, decides otherwise and the Member is notified accordingly) in the case of a Specified Member, except where otherwise stated, the amount or rate of any such benefit shall, subject to the provisions above, be as set out in Parts III and IV of the Schedule;
- B. except to the extent permitted by Clause 21 of the Trust Deed in the event of the Plan being determined in accordance with that Clause, in no case shall the amount or rate of any benefit be varied without the Member's previous written consent if such variation would (as determined by the Actuary) diminish the benefits already accrued to the Member under the Plan (unless such diminution be made prior to the Member's retirement or earlier date of leaving Pensionable Service and the Trustees resolve that such diminution is reasonable having regard to any increase in the level of benefits provided outside the Plan for (or in respect of) the Member pursuant to any legislation). However, this Proviso shall in no way affect (or have any bearing on) the order in which the Fund is to be applied in the event of the Plan being determined in accordance with Clause 21 of the Trust Deed, and
- C. if and when the Member is notified that Long Service Benefit will be provided for (or in respect of) him, he shall also be notified that in the event of his Pensionable Service terminating before Normal Pension Date and he then being a Qualifying Member, Short Service Benefit will be provided for (or in respect of) him, such notification specifying a method of computing such Short Service Benefit which satisfies the preservation requirements of the Social Security Act 1973.

(b) Limitation of amounts

Any benefits so provided, and any other benefits (or forms of benefit derived from them) shall be subject to such of the limits set out

in Part II of the Schedule as may be appropriate and (where applicable) to the provisions of Rule 6(a).

5. MEMBER'S PENSION

(a) Provision of pension; monthly for life, etc.

A Member may be provided with a pension on retirement at Normal Pension Date which, subject to such other provisions of the Rules as may apply, shall start on the relevant Pension Payment Date and continue for the rest of the Member's life and shall normally be paid by monthly instalments, no payment being due after the Member's death.

In the case of a Contracted-out Member and if such a Member's Normal Pension Date is earlier than State Pensionable Date, any increase in the Guaranteed Minimum Pension attributable to the revaluation in accordance with Rule 16(d) shall be additional to the amount of pension accrued to the Member at Normal Pension Date, but this additional amount shall be inclusive of such amount (if any) by which the Member's pension, after it has started to be paid, has been increased in accordance with Rule 9 and shall not become payable until State Pensionable Date.

(b) Payment on death before expiry of fixed five year period

If the Member dies within the period of five years from the start of his pension, there shall be payable in accordance with Rule 7(b) a lump sum equal to the value, as determined by the Actuary, of the difference between five years' payments of the pension and the instalments of such pension which became payable prior to the date of death.

(c) Alternative forms of pension/fixed period; restrictions

Subject to the provisions of Rule 16, the Trustees shall have power (with the Member's agreement) to substitute, at the date of that Member's retirement, for any such pension and lump sum payment on death after retirement on pension, such other pension payable to the Member (which, except as provided for elsewhere in the Rules, shall be non-commutable and non-assignable), with or without a lump sum benefit payable on death after retirement on pension (together of a value equal, as determined by the Actuary, to the value of the pension and lump sum payment on death for which the same is substituted) as they may decide

PROVIDED THAT:-

- A. such substituted pension may be of an adjusted annual amount payable at such frequency and/or in such manner as shall be notified to the Member;
- B. the annual amount of pension shall not exceed any relevant maximum set out in Part II. of the Schedule;
- C. the lump sum payment on death after retirement on pension may be calculated by reference to a period of less (but not more) than five years;

- D. except in the case of a Contracted-out Member, the pension may be payable for whichever is the longer of the rest of the Member's life and a fixed period of more than five years (but not exceeding ten years), any payments falling within the fixed period but subsequent to the Member's death being made to that Member's Personal Representatives, save that in exceptional circumstances (and for so long as the Plan is to be treated as an Exempt Approved Scheme, only with the approval of the Board of Inland Revenue), a death benefit shall be payable in accordance with Rule 7(b) but calculated by reference to such period (not exceeding ten years) as shall be determined by the Trustees, and
- E. payments of the substituted pension shall cover the whole period from the date of the Member's retirement.

6. OTHER PROVISIONS RELATING TO MEMBER'S PENSION

(a) Restriction on operation of Rule 6 in relation to Rule 8

Unless in the Employer's opinion there is good reason for this Rule 6(a) to be waived, the Trustees shall not permit any action to be taken under this Rule 6 which would prevent the payment of the benefit (or any part of it) otherwise payable under Rule 8.

(b) Commutation of pension

- (i) The Trustees shall, if the Member so desires, pay to the Member on retirement on pension a lump sum of such amount as shall have been notified to the Member in writing in lieu of so much of his pension as shall be agreed and if prior to any substitution under Rule 5(c), the total pension (including the pension equivalent of all benefits in cash form and the equivalent of any pension to be provided for any person in accordance with Rule 6(c)) payable to a Member at Pension Payment Date, when aggregated with that provided under all the Employer's Schemes, is not greater than the Trivial Pension Limit, the Trustees may elect to pay a single lump sum in lieu of the benefits otherwise payable under Rule 5 or, if a Member is in exceptional circumstances of serious ill-health, the Trustees may elect to pay a lump sum in lieu of all (or part of) such benefits subject in each of these circumstances to the requirements of Rule 16(e)

PROVIDED THAT:-

- A. in the case of a Member who is not in Contracted-out Employment, for the purpose of calculating whether or not the Member's total pension benefits exceed the Trivial Pension Limit, the Trustees shall ensure, to their reasonable satisfaction, that account is taken of any revaluation which would have been required in accordance with Rule 12(g) had the pension not been commuted, and
- B. where on any increase in the Trivial Pension Limit any total pension as specified in this paragraph does not exceed the Trivial Pension Limit, the Trustees may then elect to pay in

accordance with this Rule 6(b), and subsequent to the Pension Payment Date, a single lump sum in lieu of any pension which, being part of such total pension, has become payable.

(ii) The lump sum equivalent of a Member's pension shall be calculated in accordance with such rates as shall be determined by the Actuary and which shall, for so long as the Plan is to be treated as an Exempt Approved Scheme, be approvable by the Board of Inland Revenue) according to his age at and the pension payable at the date of retirement or at the date when a single lump sum is elected to be paid in accordance with Proviso B to paragraph (i) of this Rule 6(b)

(c) Dependant's pension by surrender of Member's pension

(i) Provided that notice is given to the Trustees in writing prior to the due date for the start of his pension, but subject to Rule 16(b), a Member may elect to surrender as from such due date a portion of his pension, in order to provide for such one (or more) of his Dependants as he shall name in the notice, a pension of equal value (as determined by the Actuary) starting from the relevant Pension Payment Date. Such pension shall (unless the Trustees have decided otherwise and the Member or the appropriate Dependant has been notified accordingly) be payable by monthly instalments and shall continue for the rest of any such Dependant's life

PROVIDED THAT:-

- A. a Member shall not be permitted to surrender so much pension that the pension (or total pensions referred to immediately above) would be larger than the amount remaining payable to the Member except with the Trustees' consent, which shall not be given if such pension (or total pensions) would be larger than the amount which would have been payable to the Member had no lump sum been paid in lieu of pension under Rule 6(b);
- B. the Trustees may require satisfactory evidence of good health before accepting from a Member an election to surrender pension under this Rule 6(c);
- C. in the case of a Member who retires prior to Normal Pension Date, the election if already made may with the Trustees' consent be cancelled by the Member and, subject as mentioned above, the Member may then make a further election;
- D. if the Dependant is a child, payment of the pension shall not be continued after any age specified for this purpose in any notification issued to the Member in accordance with Rule 4(a) which is valid at the date of the Member's death, and
- E. subject always to Proviso D immediately above, if the Dependant is a child who at the date of the Member's death satisfied one of the conditions A, B, C or D of the definition of Dependants contained in Part I of the Schedule, the pension shall continue to be payable only until the Dependant no longer satisfies any of those conditions.

- (ii) If the Member or the Dependant (or any of the Dependents if more than one) dies before the earlier of Normal Pension Date and the date on which the Member starts receiving a pension under the Plan or if before the latter date the Dependant (or Dependents as appropriate) named in the notice ceases to be a Dependant, such election shall be cancelled automatically and shall be deemed not to have been made.

(d) Redeployment of pension increases

In the case of a Member who is prospectively entitled to pension increases under Rule 9, the value (as determined by the Actuary) of all or part of such increases expressed as a pension and lump sum payment payable in accordance with Rule 5(a) and (b) may, if the Member so desires but subject to the Trustees' and the Employer's consent and to Rule 9(c), be redeployed so as to be included as part of the Member's pension payable on retirement in relation to the application of Rule 6(b) or (c)

PROVIDED THAT no part of such pension increases shall be so included as would cause the Member's pension, as increased in this way, to exceed any maximum set out in Part II of the Schedule.

7. BENEFITS ON MEMBER'S DEATH

(a) While still in Service

In addition to any benefits which may be provided on the death of a Member in such other circumstances as are specified elsewhere in the Rules, if a Member's death occurs while he is still in Service prior to Normal Pension Date, any one (or more) of the following benefits may be provided:-

- I. all or part of the Member's Contributions (if any) paid on or prior to the date of his death (excluding any contributions made in accordance with paragraph (ii) of Rule 3(a) which have been applied by the Trustees towards benefits payable in accordance with paragraphs II and III of this Rule 7(a)), such amount to be payable in accordance with Rule 7(b);
- II. a lump sum benefit payable in accordance with Rule 7(b);
- III. a pension starting at the relevant Pension Payment Date and which is payable to any one (or more) of the Dependents by whom the Member is survived. Such pension shall (unless the Trustees have decided otherwise and the Member or the appropriate Dependant has been notified accordingly) be payable by monthly instalments and shall continue for the rest of any such Dependant's life subject always to Provisos D and E to paragraph (i) of Rule 6(c)

PROVIDED THAT:-

- A. if the total pension payable as a result of the Member's death to any such Dependant under all the Employer's Schemes is not greater than (or subsequently due to any increase in the Trivial Pension Limit becomes not greater than) the Trivial Pension Limit, the Trustees may elect to pay a single lump sum (calculated on a basis determined by the Actuary as reasonable) in lieu of the total pension payable at the date of such election, and
- B. subject always to Proviso A to this Rule 7(a), the widow (or widower) of a Contracted-out Member shall be provided with a pension which satisfies the relevant provisions of Rule 16 and if the Member had ceased to be in Contracted-out Employment prior to his death, any increase in the Guaranteed Minimum Pension attributable to the revaluation in accordance with Rule 16(d) in respect of the widow (or widower) from the date the Member ceased to be in Contracted-out Employment to the date the widow's (or widower's) pension becomes payable shall be additional to the benefit that has accrued to her (or him) on the day following the date the Member ceased to be in Contracted-out Employment.

(b) Payment under discretionary power, etc.

Subject to no such benefits being held in the Fund for more than two years following the date of the Member's death, the Trustees shall have power to pay or apply any benefits which are expressed (elsewhere in the Rules) to be payable in accordance with this Rule 7(b) at such time or times to (or for the benefit of) such one or more of the Member's Beneficiaries and Personal Representatives in such shares, proportions and manner and for such interests as the Trustees in their absolute discretion decide (including the transfer of the whole or part of those benefits to trustees to be held by those trustees for such Beneficiaries upon such trusts and powers (including discretionary trusts or powers exercisable by those trustees) as the Trustees shall decide) and all or any expenses, fees, stamp duty or other outgoings incurred for the purpose of, or in connection with, any such payment or application (irrespective of how that payment or application is made) may, if the Trustees so decide, be deducted from (or paid out of) the said benefits.

If the Trustees do not exercise this power within a period of two years from the date of the Member's death, they shall pay the whole (or that part) of the benefits not so paid or applied (as mentioned above) to the deceased Member's Personal Representatives. If any such benefits would vest in the Crown, the Duchy of Lancaster or the Duke of Cornwall as bona vacantia or in a creditor, the Trustees shall continue to hold those benefits under the trusts of the Plan and use them for such purposes of the Plan as they shall decide.

In exercising their discretion, or in making any such payment or application as mentioned above, the Trustees shall be entitled to consult with the Associated Employer who the Member was last employed by prior to his death or with the Principal Employer, and to rely upon the certificate of any such employer that any person to whom (or for whose benefit) any sum is to be so paid (or applied) is a Beneficiary and in making any such transfer as mentioned above, the Trustees shall be entitled to rely upon the certificate of any solicitor (or firm of solicitors) to the effect

that the trusts upon which the transferred benefits will be held are such that those benefits must necessarily be paid to (or applied for the benefit of) one or more of the Beneficiaries.

(c) Payment to widow(er), etc.

Any benefits which are expressed (elsewhere in the Rules) to be payable in accordance with this Rule 7(c) shall be paid to the deceased Member's widow or widower (or if there is no widow or widower, to his Personal Representatives). If any such benefits would vest in the Crown, the Duchy of Lancaster or the Duke of Cornwall as bona vacantia or in a creditor, the Trustees shall continue to hold those benefits under the trusts of the Plan and use them for such purposes of the Plan as they shall decide.

(d) Payment to Personal Representatives

Any benefits which are expressed (elsewhere in the Rules) to be payable in accordance with this Rule 7(d) shall be paid to the deceased Member's Personal Representatives.

8. DEPENDANTS' PENSIONS

(a) On Member's death after retirement; duration, etc.

In addition to any pensions which may be provided on the death of a Member to any one or more of his Dependants in such other circumstances as are specified elsewhere in the Rules, if a Member (after retiring on pension at Normal Pension Date) is survived by any one or more of his Dependants, there may be provided for any one or more of those Dependants a pension which, subject to Rule 8(b), shall start on the relevant Pension Payment Date. Such pension shall (unless the Trustees have decided otherwise and the Member or the appropriate Dependant has been notified accordingly) be payable by monthly instalments and shall continue for the rest of any such Dependant's life subject always to Provisos D and E to paragraph (i) of Rule 6(c)

PROVIDED THAT:-

A. if the total pension payable to a Dependant under all the Employer's Schemes (other than pensions provided voluntarily by the Member by surrender of pension payable to him) is not greater than (or subsequently due to any increase in the Trivial Pension Limit becomes not greater than) the Trivial Pension Limit, the Trustees may elect to pay to the Dependant in lieu of any pension otherwise payable to him under this Rule 8(a) a single lump sum calculated on a basis determined by the Actuary as reasonable either

I. at the date on which a single lump sum is paid to the Member in lieu of his pension, if the Member's total pension from all the Employer's Schemes (including the pension equivalent of any benefits not in pension form and any pension which the Member may have surrendered voluntarily to provide a pension for another person) would not have exceeded the Trivial Pension Limit;

- II. at the date when such pension becomes payable to the Dependant, or
- III. at such date after the date of any increase in the Trivial Pension Limit when the Trustees elect to pay a single lump sum in lieu of the instalments of the total pension remaining payable

and

- B. subject always to Proviso A to this Rule 8(a), the widow (or widower) of a Contracted-out Member shall be provided with a pension which satisfies the relevant provisions of Rule 16 and where the Member's Normal Pension Date is earlier than State Pensionable Date and the Member ceases to be in Contracted-out Employment prior to State Pensionable Date, in the event of his subsequent death before State Pensionable Date, the revaluation of the Guaranteed Minimum Pension in accordance with Rule 16(d) in respect of the widow (or widower) from the date the Member ceases to be in Contracted-out Employment to the date the widow's (or widower's) pension becomes payable shall be additional to the benefit that has accrued to the widow (or widower) on the day following the date the Member ceases to be in Contracted-out Employment.

(b) Effect of alternative fixed period in Rule 5(c)

If the Trustees have substituted (under Rule 5(c)) a pension payable for a fixed period of more than five years, any pension under Rule 8(a) shall not start until the expiry of that fixed period.

(c) Effect of early or late retirement of Member

If a Member retires before Normal Pension Date and is granted an immediate pension under Rule 10 or if he remains in Service after Normal Pension Date and payment of his pension is deferred under Rule 11 until the date of his retirement, Rule 8(a) shall apply as if the date of his retirement were his Normal Pension Date, but the amount of pension provided for any Dependant shall be reduced or increased according to whether the Member retires before or after Normal Pension Date

PROVIDED THAT:-

- A. if the Member retires before Normal Pension Date, the reduced amount of pension shall be calculated by the method described in Rule 10(a) but by reference to that part of the Short Service Benefit consisting of pension payable to the Dependant which has accrued in respect of the Member;
- B. if the Member retires after Normal Pension Date, the increased amount of pension shall be calculated on a basis determined by the Actuary as reasonable having regard to the period of deferment and to the ages of the Member and the Dependant, and
- C. in the case of a Contracted-out Member, the adjusted amount of the widow's (or widower's) pension shall be subject to the relevant provisions of Rule 16.

9. PENSION INCREASES

(a) Increases to pensions in payment

Any pension in course of payment, whether to a Member or to a Dependant shall be reviewed regularly and may be increased annually (or at such other intervals as the Trustees shall determine) after the start of that pension, by such amount as the Employer (with the Trustees' consent) shall decide.

(b) When payable and terminated

Such pension increases shall be payable with the normal instalments of pension and shall terminate when the normal instalments cease.

(c) Restriction on commutation in accordance with Rule 6(b)

No part of any pension under this Rule which exceeds the maximum Member's pension set out in Part II of the Schedule (such maximum being exclusive of that part attributable to pension increases) shall be capable of commutation in accordance with Rule 6(b). In all other respects, any pension under this Rule shall, with due alteration of details, be subject to the provisions of these Rules as though it were part of the pension being increased.

10. RETIREMENT BEFORE NORMAL PENSION DATE

(a) Immediate payment of reduced pension

With the Trustees' and the Employer's consent, an immediate pension may be granted to a Member, in lieu of the benefit which he would otherwise be entitled to under Rule 12 (but subject nevertheless to Rule 12(m)), if he retires from Service at any time prior to Normal Pension Date on grounds of Incapacity or to a Member who retires from Service prior to Normal Pension Date but at or after his 50th birthday on grounds other than Incapacity. In either event, he shall be entitled to receive, as from the relevant Pension Payment Date, a pension at a reduced rate determined by the Actuary as being equivalent, on a reasonable basis, to that part of the Short Service Benefit consisting of pension payable to him which has accrued up to that Pension Payment Date or a pension of such higher rate as the Employer, with the Trustees' consent, shall decide

EXCEPT THAT in the case of a Contracted-out Member, an immediate pension (whether of a level or varying amount) shall not be granted unless the requirements of Rule 16 are satisfied.

(b) How payable

Any such pension shall be payable in the same manner as pensions on retirement at Normal Pension Date and shall be subject to Rules 5 and 6.

(c) Lump sum death benefit prior to Normal Pension Date

On the retirement of a Member in accordance with Rule 10(a), a lump sum benefit may be provided on his death on or after Pension Payment Date and prior to Normal Pension Date EXCEPT THAT if the Member is retiring in exceptional circumstances of serious ill-health, such a lump sum benefit may not be provided if the Trustees have paid a lump sum in lieu of the whole of the Member's pension in accordance with Rule 6(b).

The amount of such lump sum benefit payable on a Member's death as mentioned above shall:-

- I. subject to Proviso A to this Rule 10(c), be in addition to any benefit which may be payable on the Member's death following his retirement in accordance with Rule 5,
- II. be of such amount as the Employer, with the Trustees' consent, shall in its discretion decide and notify to the Member in accordance with Rule 4(a) on or prior to the date of his actual retirement, and
- III. not exceed any limit set out in Part II of the Schedule relating to lump sum benefits payable on a Member's death in Service prior to Normal Pension Date

PROVIDED THAT:-

- A. if the Member retires early on grounds of Incapacity, any lump sum provided in accordance with this Rule 10(c) shall be inclusive of any benefit which may be payable on the Member's death following his retirement in accordance with Rule 5, and
- B. unless the Member retires early on grounds of Incapacity, the value (as determined by the Actuary) of any lump sum provided in accordance with this Rule 10(c) shall, unless the Board of Inland Revenue permit otherwise, be taken into account in determining any maximum amount of the Member's retirement benefit under Part II of the Schedule.

Any lump sum death benefit provided in accordance with this Rule 10(c) shall be payable in accordance with Rule 7(b) if the Member retires early on grounds of Incapacity, or in accordance with Rule 7(d) if the Member retires early on grounds other than Incapacity.

11. RETIREMENT AFTER NORMAL PENSION DATE

(a) Deferred payment of increased pension

Except as provided for in Rule 11(c), if a Member remains in Service after Normal Pension Date, payment of his pension shall be deferred until the date of his actual retirement.

In such event, the Member shall be entitled to receive, as from the relevant Pension Payment Date, a pension at an increased rate calculated either on a basis determined by the Actuary as reasonable, having regard to the Member's age at that date and to the period of deferment, or on a different basis acceptable to the Board of Inland Revenue and, in either event, as shall have been notified to the Member in accordance with Rule 1(c)

PROVIDED THAT in the case of a Contracted-out Member:-

- A. the increased rate of pension shall be subject to the relevant provisions of Rule 16;
- B. payment of the pension shall not be postponed after State Pensionable Date, nor continue to be postponed after that date, unless the requirements of Rule 16(c) are satisfied;
- C. if the Member's Normal Pension Date is earlier than State Pensionable Date, any increase in the Guaranteed Minimum Pension attributable to the revaluation in accordance with Rule 16(d) shall be additional to the amount of pension accrued to the Member at Normal Pension Date together with any increase of pension if payment of pension is deferred as mentioned above. This additional amount in respect of the revaluation of the Guaranteed Minimum Pension will not become payable until State Pensionable Date, and
- D. where the Member's Normal Pension Date is the same as State Pensionable Date, any increase in the Guaranteed Minimum Pension attributable to its postponement in accordance with paragraph (ii) of Rule 16(c) shall be additional to the amount of pension accrued to the Member at Normal Pension Date together with any increase of pension (in excess of the Guaranteed Minimum Pension) if payment of pension is deferred as mentioned above.

(b) How payable

Any pension increased in accordance with Rule 11(a) shall be payable in the same manner as pensions starting at Normal Pension Date and shall be subject to Rules 5 and 6.

(c) Payment of pension and/or lump sum at Normal Pension Date/other date prior to actual retirement

Subject to Part IIC of the Schedule, if a Member who is in Service so desires and the Employer approves, he may at Normal Pension Date or at any subsequent date prior to his actual retirement, elect to receive at that date all (or part) of the benefits which he would have been entitled to had he retired on that date

PROVIDED THAT for so long as the Plan is to be treated as an Exempt Approved Scheme, then unless the Board of Inland Revenue permit otherwise:-

- A. if he elects to receive both a pension and a lump sum benefit, payment of no part of his benefits shall be deferred until his actual retirement;

- B. if he elects to receive only a lump sum benefit, payment of the balance (if any) of his benefits shall be deferred until his actual retirement and shall be made wholly in pension form, the pension being increased in accordance with Rule 11(a);
 - C. if he elects to receive only a pension benefit, it shall be of such amount that his remaining benefit (if any) is capable of being in lump sum form and the payment of such remaining benefit shall be deferred until his actual retirement and shall be made wholly in lump sum form, and
 - D. no further benefits may be provided for a Member subsequent to the date of an election under this Rule 11(c) which would exceed any limit in Part IIB of the Schedule applicable to benefits payable at retirement on that date.
- (d) Payment on death before actual retirement/effect on death payment of election in accordance with Rule 11(c)

On the death of a Member while still in Service on (or subsequent to) Normal Pension Date, there shall be payable, in the same manner as like benefits under Rule 7(a), Rule 5(b) or Rule 8(a) are payable, such benefits (if any) as the Trustees shall decide

PROVIDED THAT:-

- A. (unless the Employer decides otherwise and the Member is notified accordingly, but subject always to Provisos B, C and D to this Rule 11(d)) in the case of a Specified Member, the benefits and amounts of them shall be as set out in Part III of the Schedule;
- B. for so long as the Plan is to be treated as an Exempt Approved Scheme, then unless the Board of Inland Revenue permit otherwise (but subject always to Provisos C and D to this Rule 11(d)), benefits may be of a like nature and amount to those which could have been payable if the Member:-
 - (i) had died on the day immediately prior to his Normal Pension Date, or
 - (ii) had retired on the day immediately prior to the date of his death

EXCEPT THAT if a Member elects in accordance with Rule 11(c) to receive all (or part) of his benefits prior to his actual retirement, then on his death in Service at (or after) the date of that election:-

- I. if all benefits were taken, the Member shall be regarded as having died subsequent to retirement at the date of that election and the provisions of Rule 5(b) (or, where applicable, the appropriate provisions of Rule 5(c)) shall apply to that part of his benefits which was taken in pension form;

- II. if only a lump sum benefit was taken, the Member shall be regarded as having retired on the day immediately prior to his death and the provisions of Rule 5(b) shall apply to the pension benefit which has been deferred;
 - III. if only a pension benefit was taken, the provisions of Rule 5(b) (or, where applicable, the appropriate provisions of Rule 5(c)) shall apply to it and in addition, the deferred lump sum shall be payable;
 - IV. no other death benefit shall be payable in any of the cases mentioned above, other than pensions payable to Dependents in accordance with the Rules EXCEPT THAT in the case of a Contributory Member, any amount up to that by which the amount of his Member's Contributions (including compound interest on them at a reasonable commercial rate calculated to the date of death) exceeds the amount of benefit payable at the date of death in any of the cases mentioned above may also, at the Trustees' discretion, be paid;
- C. if the benefits are of a like nature (and amount) to those which could have been payable if the Member had retired on the day immediately prior to the date of his death, then if the benefits payable would be enhanced as a result, the Trustees shall:-
- I. reduce the Member's pension by reference to which, but for this paragraph, any such benefits relating to Rule 5(b) would be calculated by the maximum amount of Member's pension which could have been commuted on the day immediately prior to the date of the Member's death had he retired on that day, and
 - II. pay an additional benefit of a lump sum equal to the commuted value of the amount by which the Member's pension is reduced under paragraph I of this Proviso, such commuted value being calculated in accordance with Rule 6(b), and
- D. the widow (or widower) of a Contracted-out Member shall become entitled, upon the Member's death, to a pension which satisfies the relevant provisions of Rule 16, and any increase in the Guaranteed Minimum Pension attributable to its postponement in accordance with paragraph (ii) of Rule 16(c) in respect of the widow (or widower) shall be additional to the amount of pension accrued to the widow (or widower) at Normal Pension Date together with any increase in pension (in excess of the Guaranteed Minimum Pension) due to the enhancement by reason of the postponement of payment of the Member's pension.

12. TERMINATION OF PENSIONABLE SERVICE

(a) Right to Short Service Benefit; notification to Qualifying Members

Subject to Rule 12(d), and, if appropriate, Clause 21 or 22 of the Trust Deed, in the event of a Qualifying Member's Pensionable Service terminating before Normal Pension Date for any reason (including the operation of Clause 21 or 22 of the Trust Deed) except early retirement in

accordance with Rule 10, or death, there shall be provided in respect of him Short Service Benefit of an amount (or amounts as appropriate) calculated in such manner as shall have been notified to him

PROVIDED THAT in the case of a Contracted-out Member, such Short Service Benefit shall be subject to the provisions of Rule 16.

(b) Discretionary award of Short Service Benefit in relation to Non-Qualifying Members

Subject to Rule 12(d), and, if appropriate, Clause 21 or 22 of the Trust Deed, in the event of a Non-Qualifying Member's Pensionable Service terminating before Normal Pension Date for any reason (including the operation of Clause 21 or 22 of the Trust Deed) except early retirement in accordance with Rule 10, or death, then

- (i) there shall be provided in respect of him the whole (or any part) of Short Service Benefit, which he would be entitled to under Rule 12(a) were he a Qualifying Member, if any notification issued to him in accordance with Rule 4(a), which is valid at the date of termination of his Pensionable Service, so provides, and
- (ii) there may be provided in respect of him at the Employer's request and with the Trustees' consent, the whole (or any part) of such Short Service Benefit to the extent that it is not provided under paragraph (i) of this Rule 12(b)

PROVIDED THAT if such Member is a Contracted-out Member:-

- A. any pension provided for him or for his widow (or her widower) under paragraph (i) or (ii) of this Rule 12(b) shall be subject to the provisions of Rule 16;
- B. he shall be provided with a pension payable from State Pensionable Date at a rate equal to his Guaranteed Minimum Pension if a pension has not been provided for him as part of any benefits provided under paragraph (i) or (ii) of this Rule 12(b);
- C. his widow (or her widower) shall be provided with a pension payable from the date of his death should that occur on or after the date from which his pension becomes payable, at a rate equal to the widow's (or widower's) Guaranteed Minimum Pension, if a pension has not been provided for the widow (or widower) as part of any benefits provided under paragraph (i) or (ii) of this Rule 12(b), and
- D. any pension provided under paragraph B or C of this Proviso shall, subject to the provisions of Rule 16, continue for the rest of the life of the pensioner from the date when it becomes payable and be payable monthly or with such other frequency as the Trustees shall decide.

Despite anything to the contrary in this Rule 12(b), if a Contributions Equivalent Premium is paid in respect of a Non-Qualifying Member who is a Contracted-out Member, paragraph (v) of Rule 16(f) shall apply.

(c) Benefit for a Non-Qualifying Member who is not granted or entitled to benefit in accordance with Rule 12(b)

In the event of a Non-Qualifying Member's Pensionable Service terminating before Normal Pension Date for any reason (including the operation of Clause 21 or 22 of the Trust Deed) except early retirement in accordance with Rule 10, or death, and such Member not being granted or entitled to Short Service Benefit (or any part of it) in accordance with Rule 12(b), then subject, if appropriate, to Clause 21 or 22 of the Trust Deed,

- (i) if the Member is a Contracted-out Member, he shall be entitled to a pension payable from State Pensionable Date at the rate of his Guaranteed Minimum Pension;
- (ii) if the Member is a Contracted-out Member, his widow (or her widower) shall become entitled upon his death occurring on or after the date when the pension which he is entitled to under this Rule 12(c) becomes payable, to a pension payable at the rate of the widow's (or widower's) Guaranteed Minimum Pension;
- (iii) if the Member is a Contracted-out Member, Rule 16 shall apply to any pension payable in accordance with this Rule 12(c);
- (iv) any pension payable in accordance with paragraphs (i) and (ii) of this Rule 12(c) shall cover the lifetime of the pensioner from the date when it becomes payable and be payable monthly or with such other frequency as the Trustees shall decide, and
- (v) if the Member is neither a Contracted-out Member nor a Contributory Member, he shall not be entitled to any benefits under the Plan.

Despite anything to the contrary in this Rule 12(c), if a Contributions Equivalent Premium is paid in respect of a Non-Qualifying Member who is a Contracted-out Member, paragraph (v) of Rule 16(f) shall apply.

(d) Right to all or part of Member's Contributions in appropriate circumstances; conditions and restrictions applying

- (i) Subject to paragraphs (iii), (iv), (v) and (vi) of this Rule 12(d), and, if appropriate, subject to Clause 21 or 22 of the Trust Deed, a Qualifying Member who is a Contributory Member and whose Qualifying Service includes any period of employment prior to 6th April, 1975 may, on termination of his Service, elect to receive the return of his Member's Contributions relating to the period of employment before 6th April, 1975.
- (ii) Subject to paragraphs (iii), (iv), (v) and (vi) of this Rule 12(d), and, if appropriate, subject to Clause 21 or 22 of the Trust Deed, a Non-Qualifying Member who is a Contributory Member, and whose Pensionable Service terminates in the circumstances specified in Rule 12(c), shall receive the return of his Member's Contributions.
- (iii) Despite the other provisions of this Rule 12(d), Transferred Contributions (as defined in Proviso B to Clause 6 of the Trust Deed) shall not be returned to a Member on termination of his Pensionable Service unless, at the date of cessation of his

membership of the Retirement Benefits Scheme from which they were transferred, either they could have been returned to him under the provisions of that scheme or they could not have been so returned solely by reason of the inclusion of a £5,000 per annum earnings limit in the provisions of that scheme.

- (iv) Any return made to a Member, on termination of his Pensionable Service, of his Member's Contributions (or any part of them) shall extinguish all entitlements of the Member, his Dependants or Beneficiaries to any other benefits in respect of the period of employment which such Member's Contributions (or part of them) relate to

PROVIDED THAT:-

- A. if the Member is a Contracted-out Member, entitlements to Guaranteed Minimum Pensions related to such period shall not be so extinguished unless a Contributions Equivalent Premium (or, in the event of the operation of Clause 21 of the Trust Deed, an Accrued Rights Premium), is paid in respect of the Member;
- B. any entitlement of the Member to equivalent pension benefits under Rule 17 shall not be so extinguished, and
- C. any entitlements granted under Clause 6 of the Trust Deed shall be so extinguished only to the extent that the entitlements, under the other Retirement Benefits Scheme, corresponding to the transferred assets would have been extinguished if the transfer had not been made but the Transferred Contributions (as defined in the said Clause 6) had been refunded to the Member at the date when his membership of the other Retirement Benefits Scheme ceased.
- (v) The option under paragraph (i) or the return of a Member's Contributions under paragraph (ii) of this Rule 12(d) shall not be available without the Trustees' and the Employer's consent, unless it has been expressly permitted by a notification issued to the Member in accordance with Rule 4(a) which is valid at the date of termination of his Pensionable Service.
- (vi) If a Member receives a return of his Member's Contributions under paragraph (i) or (ii) of this Rule 12(d), the Trustees shall deduct from the sum returned to the Member
- I. in the case of a Member (other than a Member who receives a return of his Member's Contributions upon the determination of the Plan in accordance with Clause 21 of the Trust Deed) who is or has been in Contracted-out Employment by reference to the Plan, the lesser of the Certified Amount and the amount of the return which relates to Contracted-out Employment, and

- II. any tax payable by them in respect of such sum
or such lesser sum (or sums) as they may agree with the Employer.
- (e) Discretionary award of benefits payable on death before Short Service Benefit becomes payable; entitlement of Contracted-out Member

There may be provided any one (or more) of the following benefits as the Employer shall, with the Trustees' consent, decide to become payable in the event of a Member's death occurring before any Short Service Benefit under Rule 12(a) or (b) or a pension under Rule 12(c) becomes payable or before any earlier date from which a reduced benefit may become payable under Rule 12(h):-

- (i) return of all or part of the Member's Contributions (if any) paid prior to the date of termination of his Pensionable Service, such amount to be payable (except as provided for in Rule 12(j)) in accordance with Rule 7(d) in the event of the Member having left Service, or in accordance with Rule 7(b) in the event of the Member not having left Service;
- (ii) a lump sum benefit payable (except as provided for in Rule 12(j)) in accordance with Rule 7(c) in the event of the Member having left Service, or in accordance with Rule 7(b) in the event of the Member not having left Service;
- (iii) a pension starting at the relevant Pension Payment Date payable to any one or more of the Dependants by whom the Member is survived, such pension for any Dependant (unless the Trustees have decided otherwise and the Member or the appropriate Dependant has been notified accordingly) being payable by monthly instalments for the rest of such Dependant's life subject always to Provisos D and E to paragraph (i) of Rule 6(c)

PROVIDED THAT:-

- A. (unless the Employer, with the Trustees' consent, decides otherwise and the Member is notified accordingly, but subject always to Proviso C immediately following) in the case of a Specified Member the benefits and amounts of them shall be as set out in Part IV of the Schedule;
- B. if the pension payable (as a result of the Member's death) under paragraph (iii) of this Rule 12(e), when aggregated with similar pensions under all the Employer's Schemes, is not greater than (or subsequently due to any increase in the Trivial Pension Limit becomes not greater than) the Trivial Pension Limit, the Trustees may elect to pay in lieu of the said pension at the date of such election a single lump sum calculated on a basis determined by the Actuary, as reasonable, and
- C. in the event of a Contracted-out Member dying before any pension to which he is entitled under Rule 12(a), (b) or (c) becomes payable, his widow (or her widower) shall be provided with a pension which shall be subject to the provisions of Rule 16, continue for the rest of the life of the widow (or widower), be payable monthly or with

such other frequency as the Trustees shall decide and be payable at a rate equal to

- I. the rate of the widow's (or widower's) Guaranteed Minimum Pension or
- II. such higher rate as may have been specified in any notification issued to the Member in accordance with Rule 4(a) which was valid at the date when his Pensionable Service terminated.

Despite anything to the contrary in this Rule 12(e), if a Contributions Equivalent Premium is paid in respect of a Non-Qualifying Member who is a Contracted-out Member, paragraph (v) of Rule 16(f) shall apply.

(f) How Short Service Benefit is payable

Short Service Benefit shall be payable in the same manner as Long Service Benefit on attainment by the Member of Normal Pension Date or (as the case may require) his subsequent death

EXCEPT THAT if the Trustees at the Employer's request so decide, Short Service Benefit shall not become payable before age 60 in respect of a Member whose Normal Pension Date is earlier than age 60.

Any pension payable to (or in respect of) the Member under Rule 12(a), (b), (c), (h) or (i) shall be subject to Rules 5 and 6 (and, where appropriate, Rules 8 and 9).

(g) Revaluation of Short Service Benefit which exceeds Guaranteed Minimum Pension

- (i) Subject to paragraph (xiv) of Rule 12(o), the amount of Short Service Benefit (excluding any part of Short Service Benefit provided on a money purchase basis) which a Member is granted (or entitled to), on termination of Pensionable Service, under Rule 12(a) or (b) and accrued under the Plan on or after 1st January, 1985 or accrued on or after such date earlier than 1st January, 1985 as the Employer, with the Trustees' consent, shall have decided and notified (in writing) to the Member, and which in either event exceeds the Guaranteed Minimum Pension shall, provided there is at least one complete year between the date of such termination and the Member's Normal Pension Date, be increased for each complete year between those dates by such an amount as has been notified to the Member in accordance with Rule 4(a), and which, in any event, shall not be less than five per cent per annum compound, or if less, the appropriate revaluation percentage as prescribed by the Secretary of State for Social Security.
- (ii) Subject to paragraph (xiv) of Rule 12(o), the amount of Short Service Benefit which a Member is granted (or entitled to) under Rule 12(a) or (b) which is on a money purchase basis, being
 - (a) derived from the Member's Voluntary Contributions, or
 - (b) in excess of the Member's Guaranteed Minimum Pension and derived from any cash sum or investment accepted (in

accordance with Clause 6 of the Trust Deed) by the Trustees for inclusion in the Fund

and which is provided for (or in respect of) the Member payable on or after Normal Pension Date, shall, provided there is at least one complete year between the date of such termination and the Member's Normal Pension Date, be adjusted by such an amount as determined by the Trustees to be commensurate with the investment yield and any bonuses arising from, in respect of (a) above, such Member's Contributions, and in respect of (b) above, any cash sum or investment accepted (in accordance with Clause 6 of the Trust Deed) by the Trustees for inclusion in the Fund on behalf of the Member, which would have been applied if the Member's Pensionable Service had not terminated, less (if the Trustees so decide) an amount not exceeding the administrative expenses incurred by the Trustees in providing the Short Service Benefit or, if it is less, the amount of the administrative expenses which would have been incurred in providing a money purchase benefit for the same Member if his Pensionable Service had not terminated before Normal Pension Date.

(h) Pensions may start before Normal Pension Date

Subject to the Trustees' consent, a Member who has left Service and in respect of whom benefits have been provided under Rule 12(a) or (b) may, at any date prior to Normal Pension Date at which an immediate pension could have been granted under Rule 10 had he not previously left Service, elect that in lieu of such benefits, reduced benefits shall become payable as if that date were his Normal Pension Date

PROVIDED THAT:-

- A. such reduced benefits shall be calculated, insofar as they consist of pension payable to the Member, by a method similar to the method stipulated in Rule 10(a) and, insofar as they consist of pensions for Dependants, by a method similar to the method stipulated in Proviso A to Rule 8(c), and
- B. in the case of a Contracted-out Member, the Trustees shall not consent to such election unless the reduced benefits would satisfy the relevant provisions of Rule 16.

(i) Pensions may start after Normal Pension Date

Subject to the Trustees' consent, a Member in respect of whom benefits have been provided under Rule 12(a) or (b) may, if he continues in employment after Normal Pension Date, elect to have payment of his Short Service Benefit deferred until his 70th birthday if he is continuing in employment after that date, or otherwise until the date of his actual retirement

PROVIDED THAT:-

- A. if the Member's Normal Pension Date is prior to his 60th birthday (if male) or 55th birthday (if female), such election may not be made without the prior consent of the Board of Inland Revenue, and

- B. in the case of a Contracted-out Member, payment shall not be postponed after State Pensionable Date, nor continue to be postponed after that date, unless the requirements of Rule 16(c) are satisfied.

In such event, the Member shall be entitled to receive, as from the relevant Pension Payment Date, a pension at an increased rate calculated on a basis determined by the Actuary as reasonable, having regard to the Member's age at such date and to the period of deferment. Any pensions payable to Dependants shall be calculated by a method similar to that stipulated in Proviso B to Rule 8(c).

On the death of the Member after Normal Pension Date but before such benefits become payable there shall, subject to Provisos C and D to Rule 11(d), be payable benefits of a like nature and amount to those which would have been payable if his benefit had become payable from the day immediately prior to the date of his death.

Such benefits shall be payable in the same manner as the benefits under Rule 5(b) and Rule 8(a).

(j) Purchase of Approved Policies in name of Member, Beneficiary, Personal Representatives, Dependant or Trustees

Despite anything to the contrary expressed or implied in this Rule or elsewhere in the Trust Deed and Rules, at the date a Member's Pensionable Service terminates, or at any time after that date, the Trustees may apply out of the Fund an amount not exceeding the value (as determined by the Actuary) of the benefits which the Member, or any Beneficiary, Personal Representative or Dependant of the Member, has a prospective entitlement to under the Plan, in the purchase of one or more Approved Policies providing benefits for one or more of such persons, in lieu of the benefits (or any part of them) which would otherwise be payable under the Rules, and under which policy (or policies) pensions are non-commutable and non-assignable except to such extent as may be permitted in accordance with the Rules and as the Trustees think fit

PROVIDED THAT:-

- A. in relation to any Short Service Benefit, alternative to Short Service Benefit or Guaranteed Minimum Pension which there is a prospective entitlement to under the Plan, such policy shall be a Qualified Policy;
- B. if pursuant to sub-paragraph B of paragraph (ii) of Rule 12(o), a Member makes an application to the Trustees for the purchase of one or more Qualified Policies, the Trustees shall purchase such policies only if they show (or are endorsed to show) that they (a) may not be assigned or surrendered except as provided for in C(i) below, (b) may not be commuted except as provided for in C(ii) below, and (c) satisfy the requirements set out in C(iii), (iv) and (v) below and only if they have been approved by the Inland Revenue;
- C. a Qualified Policy purchased by the Trustees in accordance with this Rule 12(j) may provide for early and late retirement and must show

(or be endorsed to show) that the maturity date under the policy coincides with the Member's Normal Pension Date and:-

- (i) that the proceeds under it may not be assigned or surrendered except with the Member's consent in writing and then only by one (or more) of the following:
 - (a) by transfer direct or through a pension consultant to another policy of insurance or annuity contract (which meets the provisions of Proviso A, this Proviso and Proviso D to this Rule 12(j)), under which all or such part of the benefits previously secured under the Qualified Policy are either replaced or secured;
 - (b) by transfer direct to the trustees or managers of a Qualified Scheme (other than a Self-Employed Pension Arrangement) which applies to the employment of the Member at the time of the assignment or surrender in order to provide transfer credits for the Member under it, or
 - (c) in the case only of benefits which are not, and do not include, Guaranteed Minimum Pension, by transfer direct to a Self-Employed Pension Arrangement in order to provide money purchase benefits under it.
- (ii) that the amount secured may not be commuted except where,
 - (a) the benefits provided under the policy have become payable and the aggregate of those benefits and all other benefits currently or prospectively payable to the Member or, as the case may be, his widow (or her widower) under all of the Employer's Schemes are not greater than the Trivial Pension Limit,
 - (b) the benefits provided under the policy have become payable, commutation does not apply to that part of those benefits which consists of the Member's and his widow's (or her widower's) Guaranteed Minimum Pension, and the Member has requested (or consented to) the commutation, and
 - (i) the Member has attained the age of 50, or
 - (ii) the Member's earning capacity is destroyed or seriously impaired by physical or mental deterioration, or
 - (iii) the Member is in exceptional circumstances of serious ill-health, or
 - (c) the Occupational Pensions Board consider it suitable in circumstances other than those previously described in this Proviso,
- (iii) that under such policy, the insurance company which issues the policy assumes an obligation to the Member or to trustees of

the policy to pay the benefits to, or to trustees for the benefit of, the Member and (if appropriate) Beneficiaries, Personal Representatives or Dependants of the Member,

(iv) that if any Guaranteed Minimum Pension is due (or prospectively due) to the Member,

(a) the annuity to be paid (under such policy) to him, or for his benefit, will be at least equal to the Guaranteed Minimum Pension due to him (or, as the case may be, prospectively due to him) at State Pensionable Date, subject to any revaluation or increase under Sections 35 and 37A of the Pensions Act,

and

(b) that if the Member dies leaving a widow (or widower), the annuity to be paid under it to, or for the benefit of, that widow (or widower) will be at least equal to the Guaranteed Minimum Pension due to her (or him), subject to any increase under Section 37A of the Pensions Act,

(v) either:-

(a) a statement of the total length of the period or periods of service which gave rise to the benefits secured by the policy, or

(b) where that total length exceeds 2 years, a statement to that effect;

D. where Proviso B to this Rule 12(j) does not apply, the Trustees may secure benefits by a Qualified Policy if they so decide, and in so doing, be discharged from their liability in respect of the benefit so provided in circumstances where

(i) if the Member has died, and if the benefit under the Plan on the Member's death is payable to a person other than his widow (or her widower), it must be at the written request or with the written consent of that person in such a form as is prescribed (or permitted from time to time) by statute or statutory regulations;

(ii) it is made without the consent of the Member or his widow (or her widower) but one of the following applies:-

(a) the Plan has been determined in accordance with Clause 20 of the Trust Deed and the Fund is being applied in accordance with Clause 21 of that deed;

(b) the Member has left Service and the benefit provided by means of such policy is an alternative substituted for Short Service Benefit under a provision of the Plan made by virtue of regulation 12(4)(a) of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1984, or

(c) the Member has left Service and the benefit provided by means of such policy is an alternative substituted for Short Service Benefit under a provision of the Plan made by virtue of regulation 12(4)(aa) of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1984 where all of the following conditions are met:

- (1) the Member is a Qualifying Member with less than five years' Qualifying Service;
- (2) the Qualified Policy is taken out or entered into at least twelve months after the Member left Service;
- (3) at least thirty days before the Qualified Policy is taken out or entered into, the Trustees have given to the Member or (where the Member has died and a Guaranteed Minimum Pension is payable to his widow or her widower) to his widow (or her widower) a written notice of their intention to purchase such a policy in accordance with this paragraph unless before the expiry of such notice (or, if it is later, the first anniversary of the date on which the Member left Service), the Member has made an application pursuant to paragraph (ii) of Rule 12(o) (which he has not withdrawn under paragraph (iii) of that Rule), and
- (4) the policy is so framed that it may not be assigned or surrendered except as provided for in C(i) above;

E. if Short Service Benefit is to be provided under such policy, it shall, in the case of a Qualifying Member, guarantee to provide Short Service Benefit and in the case of such a Member who is a Contracted-out Member and insofar as Short Service Benefit includes benefits accrued during Contracted-out Employment, guarantee to provide benefits at a minimum level not less than those prescribed under Rule 16(b) and, in addition, shall be in a form acceptable to the Occupational Pensions Board as meeting all the contracting-out requirements in respect of such benefits at such level as certified to the Trustees by the Approved Underwriter issuing such policy;

F. subject to the limits set out in Part II of the Schedule, any such policy may provide Relevant Benefits different from Short Service Benefit EXCEPT THAT in the case of a Contracted-out Member, such policy shall guarantee to provide benefits at a minimum level not less than that prescribed under Rule 16(b) and be in a form, as certified to the Trustees by the Approved Underwriter issuing such policy, acceptable to the Occupational Pensions Board as meeting all of the contracting-out requirements in respect of such benefits at such level, unless in the case of a Qualifying Member the accrued rights to Guaranteed Minimum Pension are preserved under the Plan or, in the case of a Non-Qualifying Member, a Contributions Equivalent Premium has been paid;

- G. any such policy shall, to the extent that the Rules permit, provide benefits for one or more of the Member or any Beneficiary, Personal Representative or Dependant of the Member to the exclusion of the other or others of them but subject nevertheless to Proviso F above, and each such person (whether or not excluded from benefit under the policy) shall accordingly cease to be entitled to any prospective benefit under the Plan but only to the extent that an amount equivalent in value to the value of such prospective benefit has been applied by the Trustees (as mentioned above) in the purchase of a policy. Save as otherwise provided for in accordance with Proviso D(i) to this Rule 12(j), the consent of any such Beneficiary, Personal Representative or Dependant or other person prospectively entitled to benefit under the Trust Deed or the Rules in relation to such Member shall not be required;
- H. any such policy shall be issued to the Member, where he is exercising his option as mentioned in sub-paragraph B of paragraph (ii) of Rule 12(o), or, where he is not exercising that option, to the Member, Beneficiary, Personal Representative or Dependant of the Member, or in either case to a trustee or trustees for any such person respectively or be issued to the Trustees and assigned to such person or to a trustee or trustees for the same;
- I. commutation on the grounds of triviality or in exceptional circumstances of serious ill-health shall not be permitted under any such policy in excess of any maximum set out in Part II of the Schedule unless satisfactory arrangements have been made by the Approved Underwriter issuing such policy for the payment of any tax due consequent upon such commutation;
- J. the policy shall show (or be endorsed to show) the amount in monetary terms which can be commuted at Normal Pension Date or earlier retirement on pension;
- K. any such policy shall show (or be endorsed to show) any lump sum payable under the policy (including any such lump sum representing a Member's Contributions) on the Member's death in monetary terms and if the policy so provides, shall be payable to his Personal Representatives, Beneficiaries or Dependants as the trustee of the policy shall decide;
- L. except in respect of a policy which provides for Short Service Benefit in accordance with Proviso E above, the policy shall show (or be endorsed to show) a monetary limit in terms of pension in respect of the Member's benefits on his retirement;
- M. any such policy may provide that the proceeds under it, insofar as they relate only to any excess over those required to provide accrued rights to Guaranteed Minimum Pension, may be used to provide such benefits at the maturity of the policy as the Member or the trustee or trustees of the policy (as the case may be) shall then decide, if he or they shall not under the terms of the policy have already decided, and as the policy shall permit, but subject nevertheless to Provisos G and O to this Rule 12(j);

- N. the Trustees may purchase more than one such policy from one or more Approved Underwriters to provide benefits in accordance with this Rule 12(j) (and unless otherwise so provided, with the Member's consent) in a manner acceptable to the Board of Inland Revenue;
 - O. for so long as the Plan is being treated as an Exempt Approved Scheme, the benefits under any such policy (and its terms and conditions) shall not be such as would prejudice such treatment;
 - P. the endorsements referred to in Provisos B, C, J, K and L above shall be made to the policy before it is given to the Member, and
 - Q. whenever the Trustees purchase such an Approved Policy in respect of a Guaranteed Minimum Pension, they shall comply with Rule 16(g).
- (k) Trustees liable for payment of a Contributions Equivalent Premium

In the event of a Contributions Equivalent Premium becoming payable in respect of a Contracted-out Member, the Trustees shall be liable for (and shall make) the payment to the Department of Social Security from the Fund and on the payment of a Contributions Equivalent Premium, paragraph (v) of Rule 16(f) shall apply.

(l) Anti-franking of Guaranteed Minimum Pension increases in accordance with Rule 16(d)

- (i) Any increase in the Guaranteed Minimum Pension attributable to the revaluation in accordance with Rule 16(d) shall be additional to the amount of the whole (or such part) of Short Service Benefit as is provided in respect of a Qualifying Member at the date of termination of Pensionable Service in accordance with this Rule;
- (ii) where a Non-Qualifying Member is provided with an entitlement to a pension in accordance with Rule 12(b), any increase in the Guaranteed Minimum Pension attributable to the revaluation in accordance with Rule 16(d) shall be additional to the amount of pension provided, to the extent that the pension provided does not exceed the amount which would have had to be provided if he were a Qualifying Member, and
- (iii) in the event of death before State Pensionable Date of a Qualifying Member or Non-Qualifying Member referred to in paragraph (i) or (ii) of this Rule 12(l), the revaluation of the Guaranteed Minimum Pension in accordance with Rule 16(d) in respect of the widow (or widower) from the date the Member ceases to be in Contracted-out Employment to the date the widow's (or widower's) pension becomes payable, shall be additional to the benefit that has accrued to the widow (or widower) on the day following the date the Member ceases to be in Contracted-out Employment.

(m) Alternative to Short Service Benefit to reflect the value of Short Service Benefit (including revaluation)

Subject to Rule 12(o), where in respect of a Member whose Pensionable Service is terminating, an alternative to Short Service

Benefit, whether as a complete or partial substitute for Short Service Benefit, is being provided in accordance with the Trust Deed or the Rules and if,

- A. the Member has not made an application in accordance with paragraph (ii) of Rule 12(o), or
- B. he has made such an application, but
 - (i) it has been withdrawn, or
 - (ii) he has, in accordance with sub-paragraph A or C of paragraph (ix) of Rule 12(o), lost his right to any cash equivalent, or
 - (iii) he never had such right in accordance with Rule 12(o),

the value of

- (a) the pension payable, or
- (b) where the alternative benefit is provided under Rule 12(j), the payment by the Trustees to the insurer, or
- (c) where the alternative benefit is provided under Clause 7 of the Trust Deed, the transfer payment to the trustees of such other scheme as is mentioned in that Clause,

shall, to the reasonable satisfaction of the Trustees, equal or exceed the value of the Short Service Benefit or other relevant part of such benefit so substituted, such value to reflect the value of the Short Service Benefit (or such part of it so substituted) which arises by virtue of Section 41A or 41B and Part I of Schedule 1A of the Pensions Act.

(n) Money purchase alternative to Short Service Benefit

In respect of a Member leaving Service, instead of providing Short Service Benefit calculated in the same manner as Long Service Benefit, the Trustees may, if they so decide, but subject to the Member's consent and without prejudice to the Member exercising his right in accordance with paragraph (ii) of Rule 12(o), provide at the date of leaving Service (or at any time after that date) a money purchase alternative to Short Service Benefit under the Plan PROVIDED THAT:-

- A. the sum allocated to the Member towards the provision of benefits for (and in respect of) him on a money purchase basis shall be at least equivalent in value, as determined by the Actuary, to the value of the Short Service Benefit (including revaluation to Normal Pension Date in accordance with Rule 12(g)) at the date the Member leaves Service, unless he is a Non-Qualifying Member and a Contributions Equivalent Premium has been paid in respect of him, in which event the sum so allocated shall be reduced by an amount equal to the Contributions Equivalent Premium so paid;
- B. the benefits payable to and in respect of him shall be determined by the Trustees (on the Actuary's advice) and may, if the Trustees so decide, be provided by means of an annuity contract or insurance

policy purchased by the Trustees in their names with the sum allocated upon such terms as the Trustees shall decide, and

- C. in the case of a Contracted-out Member, all of the contracting-out requirements shall continue to apply to accrued rights to Guaranteed Minimum Pension included in such an alternative (including revaluation to State Pensionable Date in accordance with Rule 16(d), anti-franking in accordance with Rule 12(1) and increases to Guaranteed Minimum Pension in accordance with paragraph (v) of Rule 16(b)) unless he is a Non-Qualifying Member, and a Contributions Equivalent Premium has been paid in respect of him.

(o) Member's right to a cash equivalent on termination of Pensionable Service

- (i) When a Qualifying Member or Non-Qualifying Member becomes entitled to (or is granted) Short Service Benefit or other preserved benefit in accordance with this Rule, provided his Pensionable Service terminates at least one year before his Normal Pension Date or, in the case of a Member whose Normal Pension Date is earlier than age 60, terminates before his Normal Pension Date, he shall, on termination of such service, acquire a right to a cash equivalent of the benefits under the Plan that have accrued to (or in respect of) him, including benefits derived from the acceptance of any payment or transfer into the Plan in accordance with Clause 6 of the Trust Deed or as otherwise permitted by statute. The cash equivalent shall be determined at the Relevant Date by the Actuary and notified to the Trustees.

EXCEPT THAT in respect of any Short Service Benefit or other preserved benefit derived from the acceptance of any payment or transfer into the Plan in accordance with Clause 6 of the Trust Deed (or as otherwise permitted by statute) without the Member's consent, such Member shall, subject otherwise to this Rule 12(o):-

- I. acquire a right to the cash equivalent (as determined by the Actuary and notified to the Trustees) of those benefits, such cash equivalent being determined on the date on which the Member makes a valid application in accordance with paragraph (ii) of this Rule 12(o) and which has not been withdrawn in accordance with paragraph (iii) of this Rule 12(o), and
- II. exercise his right to such cash equivalent in accordance with this Rule 12(o), but irrespective of whether or not his Pensionable Service has terminated and, if it has, irrespective of the date on which his Pensionable Service terminated.
- (ii) The Member may exercise his right to a cash equivalent in accordance with this Rule 12(o) by making an application (in writing) to the Trustees requiring them to apply such cash equivalent in whichever one or more of the following ways as he may choose:-

- A. by transfer from the Fund in accordance with Clause 7 of the Trust Deed of all or, subject to the following provisions of this Rule 12(o), any part of the assets representing the cash equivalent, to such other Retirement Benefits Scheme or Personal Pension Scheme whose trustees or managers are able and willing to accept him in consideration of his acquiring rights under it in accordance with Clause 7 of the Trust Deed;
 - B. by purchasing, in accordance with Rule 12(j), one or more Qualified Policies from one or more Approved Underwriters chosen by the Member who are willing to accept payment on account of the Member from the Trustees, and
 - C. by subscribing to such other type (or types) of pension arrangement as may be prescribed by the Secretary of State for Social Security.
- (iii) A Member may withdraw an application under paragraph (ii) of this Rule 12(o) by giving the Trustees notice in writing either delivered to them personally or sent by post in a registered letter or by recorded delivery
- EXCEPT THAT such notice shall be of no effect if it is given to the Trustees at a time when, in order to comply with what the Member previously required, they have entered into an agreement with a third party to use the whole (or part) of the Member's cash equivalent in accordance with this Rule 12(o).
- (iv) The Member may only exercise his right on or before:-
- A. one year before the date on which he attains Normal Pension Date (or, in the case of a Member whose Normal Pension Date is earlier than age 60, one year before the date on which he attains age 60), or
 - B. six months after the date when his Pensionable Service terminates,
- whichever is the later.
- (v) Where a Member exercises his right, subject to the following provisions of this Rule 12(o), he is required to do so in respect of the whole cash equivalent as mentioned above, unless the trustees or managers of such other scheme or arrangement as is referred to in paragraph (ii)A and C respectively of this Rule 12(o), not being a Retirement Benefits Scheme under which there are Contracted-out Employments nor an appropriate personal pension scheme (as defined in the Social Security Act 1986), are able and willing to receive a transfer in respect of the liability for the Member's accrued rights other than accrued rights to Guaranteed Minimum Pension, in which case, the Trustees shall either:-

- A. retain in the Plan such assets as they consider to be sufficient to meet their liability for Guaranteed Minimum Pension in respect of the Member and his widow (or her widower), or
 - B. pay a Transfer Premium, in which case paragraph (v) of Rule 16(f) shall apply accordingly.
- (vi) Unless the Occupational Pensions Board agree otherwise, the Trustees shall apply the whole (or part) of the Member's cash equivalent in accordance with this Rule 12(o), by the date specified in (a) below

PROVIDED THAT if:-

- A. disciplinary proceedings or proceedings before a court have been commenced against a Member at any time before the first anniversary of the date when his Pensionable Service terminates, and
- B. it appears to the Trustees that the proceedings may lead to the whole (or part) of benefits provided under the Plan in respect of the Member being forfeited,

the Trustees shall apply the cash equivalent (a) within 12 months of the date on which they receive the Member's written application in accordance with paragraph (ii) of this Rule 12(o) or, if earlier, by the date on which the Member attains Normal Pension Date (or, in the case of a Member whose Normal Pension Date is earlier than age 60, by the date on which he attains age 60), or (b) before the expiry of three months after the conclusion of the disciplinary or court proceedings (including any proceedings on appeal), whichever is the later.

- (vii) If the Trustees fail without reasonable excuse to apply the whole or part of a Member's cash equivalent in accordance with this Rule 12(o) within 6 months of the Relevant Date, that Member's cash equivalent shall be increased by:-

- I. interest on the cash equivalent as at the Relevant Date, calculated on a daily basis over the period from the Relevant Date to the date on which the Trustees apply the whole (or part) of the Member's cash equivalent as mentioned above, at the same rate as that payable for the time being on judgment debts by virtue of Section 17 of the Judgment Act 1838 or, if it is greater,
- II. the amount, if any, as determined by the Actuary, by which the cash equivalent as at the Relevant Date falls short of what it would have been if the Relevant Date had been the date on which the Trustees apply the whole (or part) of the Member's cash equivalent as mentioned above.

(viii) If it is the established custom of the Employer, with the Trustees' consent, to award additional benefits under the Plan beyond those previously notified in writing to the Member, the cash equivalent as determined by the Actuary in accordance with paragraph (i) of this Rule 12(o) shall either be increased or not increased, to take account of any such additional benefits as would accrue to the Member concerned if the custom continued unaltered, as the Trustees shall direct the Actuary.

(ix) The Member shall lose his right to any cash equivalent under the Plan,

A. if the whole (or any part) of the pension or benefit in lieu of the pension payable under the Plan becomes payable before he attains Normal Pension Date (or, in the case of a Member whose Normal Pension Date is earlier than age 60, becomes payable before he attains age 60);

B. if he fails to exercise the option before the right to exercise it has expired;

C. if the Plan is wound up in accordance with Clause 21 of the Trust Deed.

(x) If on the date of any actuarial statement (or certification) made pursuant to Regulation 4(3) and 3(A) of the Occupational Pension Schemes (Transfer Values) Regulations 1985, the Plan does not have sufficient assets to meet its liability in respect of the whole (or any specified part) of the Members' accrued rights to benefit under the Plan, the cash equivalent or, as the case may be, the part of that cash equivalent which corresponds with that specified part of those accrued rights, may be reduced by the Trustees by the percentage by which the Plan is shown to be deficient.

(xi) For the purpose of determining a Member's cash equivalent in accordance with this Rule 12(o), any charge or lien on the whole or part of Short Service Benefit (or other preserved benefit) in respect of the Member and any set off against the whole or part of such Short Service Benefit (or other preserved benefit) shall be disregarded. Except as otherwise provided for in this Rule 12(o), the cash equivalent to be applied in accordance with paragraph (ii) of this Rule 12(o) shall only be reduced by the Trustees to take account of any surrender, commutation or forfeiture of the whole or part of the Short Service Benefit or other preserved benefit (as referred to in paragraph (i) of this Rule 12(o)) of the Member concerned which occurs before the Trustees do what is needed to comply with the Member's exercise of his right under paragraph (ii) of this Rule 12(o). In such event, the cash equivalent shall be reduced in proportion to the reduction in the total value of the Short Service Benefit or, as the case may be, other preserved benefit as mentioned above.

(xii) Where the Member has exercised (in accordance with paragraph (ii) of this Rule 12(o)) his right in respect of the cash equivalent and the Trustees have done what is needed to carry out what the Member requires, the Trustees shall be statutorily discharged, to the extent that Part II of Schedule 1A of the Pensions Act permits, from any obligation to provide benefits which the cash equivalent related to except (and to the extent) that an obligation to provide Guaranteed Minimum Pension continues to subsist and such liability is retained in the Plan in the situation provided for in paragraph (v) of this Rule 12(o).

(xiii) For the purposes of this Rule 12(o) and Rule 12(g) (but subject to the exception below), a Member's Pensionable Service shall be deemed not to have terminated if:

I. the Pensionable Service which has terminated is a period of such service which is one, other than the last one, of a series of such periods in respect of the Member whilst in Service, and

II. there is between successive periods of Pensionable Service:

(i) no interval;

(ii) an interval not exceeding one month;

(iii) an interval of any length if it is between two periods of Pensionable Service, the second of which results from the exercise of a right to re-enter Service (following pregnancy or confinement) under Section 45(1) of the Employment Protection (Consolidation) Act 1978, or

(iv) an interval of any length if it is between two periods of Pensionable Service, the second of which results from a resumption of Service by the Member following a period of absence which arose in consequence of a trade dispute within the meaning of Section 19(2)(b) of the Social Security Act 1975

EXCEPT THAT this paragraph shall not apply where the Trustees have, during any interval such as is set out in (ii)-(iv) of sub-paragraph II of this paragraph, done what is needed to carry out what the Member requires following his exercise of a right (or rights) in accordance with paragraph (ii) and paragraph (xiii) of this Rule 12(o).

(xiv) A Member's right to a cash equivalent (as referred to above) shall be subject to the following conditions:

(a) where a Contributions Equivalent Premium or an Accrued Rights Premium has been paid in respect of a Member in accordance with Section 42 or Section 44 of the Pensions Act, any cash equivalent, to which that Member has acquired or been granted a right in accordance with this

Rule 12(o), shall be reduced (to nil if need be) to the extent that it represents the Member's accrued rights to a Guaranteed Minimum Pension under the Plan;

(b) where a Member has been provided with an alternative to Short Service Benefit as is mentioned in sub-paragraph (b) or (c) of paragraph (ii) of Proviso E to Rule 12(j), and the Trustees are in consequence discharged from their liability to provide Short Service Benefit, the cash equivalent in respect of that Member shall be reduced to nil, and

(c) where a Member has been provided with an alternative to Short Service Benefit in accordance with exception A or B to Clause 21(e) of the Trust Deed and the Trustees are in consequence discharged from their liability to provide Short Service Benefit, the cash equivalent in respect of that Member shall be reduced to nil.

13. TEMPORARY ABSENCE

(a) Retention in Plan; Rule 12 does not apply

In the event of the Temporary Absence of a Member (other than a Member who, in accordance with Rule 2(g), has ceased to be a Member) during any period, the provisions of Rule 12 shall not apply and it shall be for the Employer to decide to what extent (if any) the Member will be entitled to Relevant Benefits in respect of such period

PROVIDED THAT for so long as the Plan is to be treated as an Exempt Approved Scheme, then:-

- A. the provisions of this Rule 13(a) shall apply in respect of a Member only if there is a reasonable expectation (or intention) of his Temporary Absence ceasing and the Member then continuing in Service, unless he is receiving (or is entitled to receive) pay under a sick pay, permanent health insurance or salary continuation scheme, or otherwise, in which case the provisions of this Rule 13(a) shall apply whether or not there is a clear expectation of his Temporary Absence ceasing and his then continuing in Service, and
- B. if during a period (excluding any period during which the Member does not accrue Long Service Benefit) of Temporary Absence, a Member enters (a) membership of another Retirement Benefits Scheme or (b) membership (other than concurrent membership in accordance with Rule 2(b)) of a Personal Pension Scheme, this Rule shall continue to apply in respect of him only if prior confirmation has been received from the Board of Inland Revenue that approval of the Plan will not be prejudiced as a result.

If at the expiry of the appropriate period of Temporary Absence the Member is not in Service, or the condition set out in Proviso 3 immediately above is not satisfied, the provisions of Rule 12 shall then apply. Alternatively, in lieu of the benefit which he would otherwise be entitled

to under Rule 12, the Member may (with the Trustees' and the Employer's consent) be granted an immediate pension in accordance with Rule 10.

(b) Continuation/suspension of Member's Contributions; effect

With the Employer's consent, any Member's Contributions payable under Rule 3 may, subject to the provisions of the Schedule, be continued in whole or in part or be suspended during any such period of Temporary Absence or part of it. If such contributions are continued, whether in whole or in part, the Employer shall take due account of any such contributions so paid in deciding, in accordance with Rule 13(a), to what extent the Member will be entitled to Relevant Benefits in respect of the period of Temporary Absence.

(c) Discretion to maintain death benefits

Subject to the Trustees' agreement, the Employer shall also decide whether or not all (or part) of any benefit payable on the death of a Member will be maintained during any such period of Temporary Absence or part of it

PROVIDED THAT in the event of the death of a Contracted-out Member occurring during Temporary Absence, his widow (or her widower) shall be provided with a pension of an amount not less than the minimum widow's (or widower's) pension specified in Rule 16.

If any such death benefit is not maintained or is reduced during any such period of Temporary Absence, then on Temporary Absence ceasing and the Member then continuing in Service, such restriction of the death benefit as the Trustees consider necessary may be imposed.

(d) Overriding provisions of Rule 16

All the provisions of this Rule are subject to the overriding provisions of Rule 16.

14. DISABILITY OR INCAPACITY OF MEMBER, BENEFICIARY OR DEPENDANT

(a) Power to pay other person(s), body corporate or institution

If any person entitled to any benefit under the Plan is an infant or (in the Trustees' opinion) is under any disability or suffering from any physical or mental incapacity, the Trustees may pay that benefit (or any part of it) to such person or persons, body corporate or institution as the Trustees shall think fit on his behalf and the receipt of such person or persons, body corporate or institution shall completely discharge the Trustees and exonerate them from all further concern or responsibility in relation to it

PROVIDED THAT payment of a Guaranteed Minimum Pension to a pensioner may not be suspended, unless the pensioner is unable to act by reason of mental disorder or otherwise and arrangements have been made for sums equivalent to the Guaranteed Minimum Pension either to be paid or applied for the maintenance of the pensioner or his dependants or to be held until the pensioner is able to act or to be held for his estate.

(b) Conclusive evidence of physical/mental incapacity

For the purpose of this Rule, a certificate by a qualified medical practitioner that any person is suffering from any physical or mental incapacity may be accepted by the Trustees as conclusive evidence of the fact.

15. SPECIAL PROVISIONS IN RELATION TO DIRECTORS

(a) Inclusion of directors in the Plan

Directors may be included in the Plan and the expression "Employees" as defined in Part I of the Schedule shall be deemed to include them

PROVIDED THAT for so long as the Plan is to be treated as an Exempt Approved Scheme, such treatment would not be prejudiced by the inclusion of any such director.

(b) Director's fees

The expression "Remuneration" as defined in Part I of the Schedule shall be deemed to include, where appropriate (or may consist wholly of), director's fees which the director is beneficially entitled to and which are not treated for tax purposes as a receipt of a profession in which that director is engaged, and any such fees shall rank either as basic salary or as fluctuating emoluments according to the basis on which they are voted. Total remuneration, as referred to in Part IIA, B3 and C3 of the Schedule, and basic pay and fluctuating emoluments (as referred to in (a)(i) and (b)(i) respectively of the definition of "Final Remuneration" in Part I of the Schedule) shall in each case include any such director's fees according to the basis on which they are voted.

(c) Maximum benefits in respect of a Special Director who remains in Service after Normal Pension Date; lump sum benefits payable on death in Service of a Special Director on or after age 75

Subject to Part IIC of the Schedule, if a Special Director remains in Service after Normal Pension Date, the provisions of Rule 11 shall apply EXCEPT THAT:

- (i) if no benefits are taken in accordance with Rule 11(c) and actual retirement is age 70 or less, then for so long as the Plan is to be treated as an Exempt Approved Scheme, the maximum benefits shall be calculated by reference to $N/60$ ths or $3N/80$ ths (as appropriate) of Final Remuneration, where N is the number of years in Service (not exceeding 40), or such greater fraction as will not prejudice approval of the Plan under the Act;
- (ii) the maximum benefits described in paragraph (i) above shall be increased, if actual retirement is subsequent to age 70, by such amount as shall be determined by the Actuary having regard to the Special Director's age at the date of actual retirement and to the years in Service subsequent to age 70 or (if the Special Director has completed not less than 40 years' Service prior to age 70 and a

greater maximum can thereby be provided, but subject to Rule 15(d)) the maximum benefits shall be calculated by reference to N/60ths or 3N/80ths (as appropriate) of Final Remuneration, where N is the number of years in Service and does not exceed 45 and does not include any years over 40 relating to Service prior to age 70;

- (iii) if a Special Director elects to receive a lump sum benefit and to defer the balance of his pension in accordance with Rule 11(c), his maximum pension shall be calculated at the date of such election in accordance with paragraphs (i) and (ii) above, but based only on his Service up to that date. After that date, his total benefits (including the pension equivalent of the lump sum benefit) shall not be increased beyond such maximum, such maximum pension (inclusive of the pension equivalent of all lump sums paid to the Member under the Employer's Schemes) being increased proportionately up to the date when the Member's deferred pension starts to be paid by not more than the proportionate increase (if any) in the Index since the date of such election

EXCEPT THAT in respect of any period of Service after the date of such election or attainment of age 70, whichever is the later, the increase may be calculated on a basis determined by the Actuary as reasonable having regard to the duration of that period and the Special Director's age at the end of that period, if the increase so calculated would be greater than an increase calculated by reference to the proportionate increase in the Index for that period, and

- (iv) any lump sum benefits payable in respect of a Special Director in the event of his death in Service on or after attainment of age 75 shall, despite anything to the contrary in the Rules, be payable in accordance with Rule 7(c).

- (d) Maximum aggregate benefits for a Controlling Director or a Special Director

In relation to a Controlling Director or to a Member who is or has been a Special Director, the calculation of a relevant maximum benefit in accordance with Part IIB or C (as appropriate) of the Schedule or, in relation to a Special Director only, the calculation of a maximum benefit described in Rule 15(c), shall be subject to such reduction as may be required by the Board of Inland Revenue to take account of any corresponding benefits under either a retirement annuity contract or trust scheme approved under Section 620 of the Act or a Personal Pension Scheme or FSAVCS which the Member has contributed to whilst not in Service.

- (e) Female Restricted Director's or Special Director's Normal Pension Date

In relation to a female Special Director, "Normal Pension Date" as defined in Part I of the Schedule shall not without the prior consent of the Board of Inland Revenue be prior to such director's 60th birthday.

16. GUARANTEED MINIMUM PENSIONS

(a) Operation in accordance with this Rule

If a Contracting-out Certificate specifying that any employment is contracted-out by reference to the Plan be issued to the Principal Employer or to any Associated Employer, then subject to Clauses 3, 4, 6, 7 and 26 of the Trust Deed and to Rule 14, but in all other respects regardless of anything to the contrary contained in the Trust Deed or the Rules, the Plan shall in relation to any Contracted-out Employment be operated in accordance with the provisions of this Rule.

(b) Guaranteed Minimum Pension

- (i) Any benefit payable to (or in respect of) a Member under this Rule shall be inclusive of any benefit (other than equivalent pension benefits under Rule 17) under any other provisions of the Plan.
- (ii) If a Member has a guaranteed minimum in relation to his pension under the Plan in accordance with Section 35 of the Pensions Act, he shall be entitled to receive under the Plan a pension payable for life from State Pensionable Date at a rate equivalent to a weekly rate of not less than that guaranteed minimum.
- (iii) If a male Member has a guaranteed minimum in relation to his pension under the Plan in accordance with Section 35 of the Pensions Act and he dies at any time leaving a widow, she shall be entitled, from the date of his death, to receive under the Plan a pension payable for life at a rate equivalent to a weekly rate of not less than half the Member's guaranteed minimum.
- (iv) If a female Member has a guaranteed minimum in relation to her pension under the Plan in accordance with Section 35 of the Pensions Act and she dies on or after 6th April, 1989 leaving a widower, he shall be entitled, from the date of her death, to receive under the Plan a pension payable for life at a rate equivalent to a weekly rate of not less than half of that part of the Member's guaranteed minimum which is attributable to earnings for the tax year 1988-1989 and subsequent tax years.
- (v) The guaranteed minimum pensions referred to in paragraphs (ii), (iii) and (iv) of this Rule 16(b) shall, insofar as they are attributable to earnings in the tax years from (and including) 1988-1989, be increased by the Trustees on a basis equivalent to, or (as the Employer, with the Trustees' consent, shall in its absolute discretion decide and shall notify to the Member in accordance with Rule 4(a)) on a basis more favourable than, the requirements of Section 37A of the Pensions Act and of any orders made under it.

(c) Postponement of Guaranteed Minimum Pension

- (i) The start of a Member's Guaranteed Minimum Pension may be postponed beyond State Pensionable Date, or continue to be

postponed after that date, only if one of the following applies:

- I. the Member continues in Service beyond State Pensionable Date;
 - II. the Member continues beyond State Pensionable Date in employment which is not Service and has given his consent to such postponement, and
 - III. where either I or II applies and a period of more than five years has elapsed since the Member's State Pensionable Date, the Member has given his consent to such postponement.
- (ii) If the start of a Member's Guaranteed Minimum Pension is postponed for any period beyond State Pensionable Date, his guaranteed minimum shall be increased to the extent, if any, specified in Section 35(6), (6A) and (6B) of the Pensions Act.

(d) Revaluation

If a Member ceases to be in Contracted-out Employment by reference to the Plan before State Pensionable Date for any reason except death (save as provided for below), the Guaranteed Minimum Pension which he will be entitled to at State Pensionable Date shall be calculated on the basis that the Guaranteed Minimum Pension which has accrued up to such cessation will be increased as specified in paragraph (i) of the following paragraphs (i), (ii) and (iii):-

- (i) for each tax year after that in which Contracted-Out Employment by reference to the Plan ceases, up to and including the last complete tax year before State Pensionable Date or the Member's earlier death, by such rate as regulations made under Section 45(1)(b) of the Pensions Act specify as being relevant to the date of cessation;
- (ii) I. for each tax year after that in which Contracted-out Employment by reference to the Plan ceases, up to and including the last complete tax year before State Pensionable Date or the Member's earlier death, by five per cent compound for each such tax year, or
- II. by the percentage by which earnings factors for the tax year in which Contracted-out Employment by reference to the Plan ceases are increased by the last order under Section 21 of the Pensions Act to come into force before the tax year in which the Member reaches State Pensionable Date or dies (as the case may be)

whichever makes the lesser increase, or

- (iii) by the percentage by which earnings factors for the tax year in which Contracted-out Employment by reference to the Plan ceases are increased by the last order under Section 21 of the Pensions Act to

come into force before the tax year in which the Member reaches State Pensionable Date or dies (as the case may be)

EXCEPT THAT the Principal Employer may, with the consent of the Trustees and of the Occupational Pensions Board, and by resolution in writing, substitute for the method of increase specified in the opening paragraph of this Rule 16(d) one of the alternative methods of increase described in paragraphs (i), (ii) and (iii) above, and any such substitution shall apply in respect of all Members who cease to be in Contracted-out Employment by reference to the Plan after the effective date of the resolution.

Upon the acceptance, in accordance with Clause 6 of the Trust Deed, of any payment or transfer from any other Retirement Benefits Scheme (or Personal Pension Scheme or Qualified Policy) representing the value of the accrued rights of the Member and his widow (or her widower) to the guaranteed minimum under it, the Guaranteed Minimum Pension which he will be entitled to at State Pensionable Date in respect of his Contracted-out Employment by reference to that scheme (or policy) shall be increased by such one or more of the methods specified in paragraphs (i), (ii) or (iii) of this Rule 16(d) (as shall comply with regulations made pursuant to Section 38(1) of the Pensions Act or paragraph 9(1)(b) of Schedule 1 of the Social Security Act 1986) as the Employer, with the Trustees' consent, shall in its absolute discretion decide and shall notify to the Member in writing

EXCEPT THAT the references in paragraphs (i), (ii) and (iii) of this Rule 16(d) to "by reference to the Plan" shall be deemed to be references to "by reference to such other Retirement Benefits Scheme, Personal Pension Scheme or Qualified Policy".

(e) Commutation of Member's Guaranteed Minimum Pension

- (i) Any option available under the provisions of the Trust Deed and Rules, whereby a lump sum may be paid in lieu of a pension payable to a Contracted-out Member, may not be exercised in such a manner that his Guaranteed Minimum Pension as revalued up to and including the last complete tax year before State Pensionable Date in accordance with Rule 16(d) would be commuted, unless the total pension (including the pension equivalent of all benefits in cash form and any pension which he may have surrendered or allocated to provide a pension for a Dependant) payable to him at Pension Payment Date, when aggregated with that provided under all the Employer's Schemes, would never exceed the Trivial Pension Limit, any one of the circumstances specified in paragraph (ii) of this Rule 16(e) applies and the relevant conditions set out in paragraph (iii) of this Rule 16(e) are satisfied.
- (ii) The circumstances referred to in paragraph (i) of this Rule 16(e) are that:-
 - A. the Member has reached State Pensionable Date;
 - B. the Member has not reached State Pensionable Date, but is retiring with an immediate pension;

- C. the Member has not reached State Pensionable Date and the Plan is being determined in accordance with Clause 21 of the Trust Deed, or
- D. the Member is in receipt of a pension which does not exceed the Trivial Pension Limit (or a subsequently increased Trivial Pension Limit).

(iii) The conditions referred to in paragraph (i) of this Rule 16(e) are that:-

- I. where paragraph (ii)B of this Rule 16(e) applies, the Member is treated as being retired under all of the Employer's Schemes which provide benefits in respect of him (referred to in this Rule 16(e) as "the other schemes");
- II. where paragraph (ii)C of this Rule 16(e) applies, each of the other schemes is being wound up, and
- III. where paragraph (ii)B or C of this Rule 16(e) applies, either each of the other schemes in relation to which the Member has served in Contracted-out Employment has paid a State Scheme Premium in respect of him or it requires the guaranteed minimum applicable to his accrued pension under it in accordance with Section 35 of the Pensions Act in respect of the Member to be revalued by the method described in Rule 16(d) and the Short Service Benefit in excess of that guaranteed minimum to be revalued in accordance with Rule 12(g).

- (iv) (a) For the purpose of the Trivial Pension Limit specified in any option available under the provisions of the Trust Deed and the Rules whereby a lump sum may be paid in lieu of pension, any pension deemed to be secured for the Member or his widow (or her widower), as the case may be, under Rule 16(f) shall be ignored.
- (b) For the purpose of calculating whether or not the Member's total pension benefits exceed the Trivial Pension Limit, the Trustees shall ensure, to their reasonable satisfaction, that account is taken of any revaluation which would have been required in accordance with Rules 12(g) and 16(d) if the pension had not been commuted, together with anti-franking in accordance with Rule 12(1).

(f) Payment of State Scheme Premiums

- (i) If in accordance with Sections 44 or 44A of the Pensions Act and regulations made pursuant to them, the Trustees pay an Accrued Rights Premium or a Transfer Premium in respect of a Member, they shall be deemed to have secured as a result:-

- A. a pension for that Member payable on his retirement at State Pensionable Date of an amount equal to the amount of the Guaranteed Minimum Pension by reference to which

the Accrued Rights Premium is calculated, revalued up to (and including) the last complete tax year before State Pensionable Date in accordance with Rule 16(d), and

- B. a pension for his widow of an amount equal to one half of the said Guaranteed Minimum Pension, or a pension for her widower of an amount equal to one half of that part of the said Guaranteed Minimum Pension which is attributable to earnings for the tax year 1988-1989 and subsequent tax years, in each case revalued similarly up to (and including) the last complete tax year before State Pensionable Date or the Member's earlier death.
- (ii) If a Member, in respect of whom an Accrued Rights Premium has been paid, starts receiving benefits under the Plan at an earlier or later date than State Pensionable Date, the Trustees shall be deemed to have secured in respect of that Member, in lieu of the pensions referred to in paragraph (i) of this Rule 16(f), equivalent pensions (as determined by the Actuary) starting, in the case of the pension for the Member, on such earlier or later date.
- (iii) The pensions deemed to be secured for a Member or his widow (or her widower) under paragraphs (i) and (ii) of this Rule 16(f) shall be deemed to be incapable of commutation or surrender and to be part of the total pensions provided for them under the Plan except as provided by paragraph (iv) of Rule 16(e).
- (iv) If in accordance with Section 44 of the Pensions Act and regulations made pursuant to it, the Trustees pay a Pensioner's Rights Premium in respect of a person who has become entitled to receive a Guaranteed Minimum Pension under the Plan, they shall be deemed to have secured for that person a pension of an amount equivalent to the Guaranteed Minimum Pension by reference to which the Pensioner's Rights Premium is calculated and (where appropriate):

- A. for his widow, a pension equal to one half of that deemed to be secured for him, or
- B. for her widower, a pension equal to one half of that part deemed to be secured for her which is attributable to earnings for the tax year 1988-1989 and subsequent tax years.

The pension which the Trustees are liable to pay to the pensioner and, where appropriate, to his widow (or her widower) shall be reduced by the amounts of the respective pensions deemed to have been secured by the payment of the Pensioner's Rights Premium.

- (v) If in accordance with Sections 42, 44 and 44A of the Pensions Act and regulations made pursuant to them, a State Scheme Premium other than a limited revaluation premium is paid in respect of a person, the accrued rights (under the Plan) of that person and, where appropriate, of his widow (or her

widower) to a Guaranteed Minimum Pension shall be extinguished, and the provisions of this Rule (other than the provisions of this Rule 16(f)) shall cease to be applicable in relation to that person and, where appropriate, his widow (or her widower).

(g) Information to be given to the Secretary of State for Social Security

Whenever the Trustees transfer their responsibility for, or make a transfer payment in respect of, a Guaranteed Minimum Pension to another person or body, the Trustees shall, within five weeks from the date of the transfer or transfer payment, notify the Secretary of State for Social Security of its occurrence, giving him such particulars as he may reasonably require to enable him to identify the other person or body.

(h) Reduction of a Member's benefits on account of overpayment of State Scheme benefits

If, by virtue of paragraphs (1) and (3) of Regulation 23 of The Occupational Pension Schemes (Contracting-out) Regulations 1984, a Member or his widow (or her widower) entitled to a benefit specified in Section 29(1)(a) of the Pensions Act receives an amount of that benefit, as certified by the Secretary of State for Social Security, which would not otherwise have been paid and the Secretary of State recovers that amount from the Plan, then the Trustees may reduce the benefits otherwise payable to such Member, widow or widower under the Plan by the same amount.

17. NATIONAL INSURANCE ACTS

(a) Definitions

In this Rule, "National Insurance Act" means the National Insurance Act 1965 or the National Insurance Act (Northern Ireland) 1966, the expressions "equivalent pension benefits" and "non-participating employment" have the meanings ascribed to them in the National Insurance Act, and the expression "non-participating Member's Contributions" means the whole or part, as the case may be, of Member's Contributions payable during any period of non-participating employment.

(b) Scope of application of Rule 17

Subject to Clause 23 of the Trust Deed and to the provisions of the Trust Deed and Rules affected by Part III of the Pensions Act, but in all other respects regardless of anything to the contrary in the Trust Deed and Rules, the provisions of this Rule shall apply.

(c) Entitlement to equivalent pension benefits

A Member shall be absolutely and indefeasibly entitled under the Plan to equivalent pension benefits if he has been in non-participating employment in relation to any other retirement benefits arrangement from

which the liability for the payment to him of equivalent pension benefits has been transferred to the Plan PROVIDED THAT such equivalent pension benefits and any other pension benefits which he is entitled to under the Plan (apart from a Guaranteed Minimum Pension) shall be mutually inclusive.

(d) Surrender of equivalent pension benefits is not allowed

A Member's equivalent pension benefits shall not be capable of surrender and any options in respect of a Member's pension under the other Rules shall be restricted in order to ensure that this requirement is satisfied.

(e) Trustees' entitlement to make a deduction

If a Contributory Member who is prospectively entitled to equivalent pension benefits under the Plan becomes entitled to a refund of his non-participating Member's Contributions, the Trustees shall be entitled to deduct from it such sum as they consider appropriate for the Member to contribute towards the cost of his equivalent pension benefits.

18. TRUST DEED TO PREVAIL

If the provisions of the Rules or the Schedule (or any amendment or addition to them) are inconsistent with those of the Trust Deed, the latter provisions shall prevail PROVIDED ALWAYS THAT the provisions of Rules 16 and 17 shall prevail over any provisions of the Trust Deed with which they may be inconsistent.

DEFINITIONS

"Accounting Period" means a period selected by the Trustees and notified to the Principal Employer, and which satisfies the requirements of the Disclosure Regulations.

"Accrual Rate" means:

(i) in the case of a female Member

(a) who joined the Previous Scheme before 1st July 1981 after attaining the age of 30 years

a rate of $\frac{7}{300}$ if she will complete less than 25 years Pensionable Service by Normal Pension Date

a rate of seven-twelfths divided by the number of years of Pensionable Service she will complete by Normal Pension Date in any other case.

(b) other than a Member included in (a)

a rate of $\frac{2}{105}$ if she will complete less than 35 years Pensionable Service by Normal Pension Date

a rate of two-thirds divided by the number of years of Pensionable Service she will complete by Normal Pension Date in any other case.

(ii) in the case of a male Member

(a) who joined the Previous Scheme or the Plan for full benefits after 31st January 1987

a rate of $\frac{2}{105}$ if he will complete less than 35 years Pensionable Service by Normal Pension Date

a rate of two-thirds divided by the number of years of Pensionable Service he will complete by Normal Pension Date, in any other case.

(b) other than a Member included in (a), such rate as shall have been notified to the Member.

"Accrued Rights Premium" has the meaning ascribed to it in Section 44(3) of the Pensions Act.

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

"Actuary" means a Fellow of the Institute of Actuaries or of the Faculty of Actuaries in Scotland.

Any provision of the Rules or the Trust Deed (as amended, or added to, from time to time) which requires the Trustees to consult with the Actuary, or otherwise obtain his advice, shall be read and construed as imposing upon the Trustees the obligation to consult with, or otherwise obtain actuarial advice from, a Fellow of the Institute of Actuaries or of the Faculty of Actuaries in Scotland who will personally carry out the duties imposed on the Actuary in relation to the Plan and who will sign any report or other written advice or recommendation of an actuarial nature in relation to the Plan.

"Aggregate Retirement Benefit" means the aggregate of:-

- (i) the Member's non-commutable pension under the Plan, under any Associated Scheme and under all FSAVCS which the Member has contributed to whilst in Service plus
- (ii) the pension equivalent of the Member's Lump Sum Retirement Benefit.

"Approved Policies" means any policies issued in the United Kingdom by an Approved Underwriter.

"Approved Underwriter" means:-

- (i) an insurance company to which Part II of the Insurance Companies Act 1982 (referred to below as the "1982 Act") applies and which is authorised by or under Section 3 or 4 of the 1982 Act to carry on ordinary long-term insurance business as defined in the 1982 Act, or
- (ii) a member of Lloyd's or any other body, association or society referred to in Section 2 of the 1982 Act or any other association of underwriters and which is authorised by or under Section 3 or 4 of the 1982 Act to carry on ordinary long-term insurance business as defined in the 1982 Act.

"Associated Employer" means any employer admitted to participation in the Plan, other than the Principal Employer.

"Associated Employments" means two or more concurrent employments to which all of the following apply:-

- (a) there is a period during which the Member has held all of them;
- (b) that period counts under the Plan in the case of all of them as a period in respect of which Relevant Benefits are payable, and
- (c) during that period, all the employers in question are associated

and for the purpose of this definition (and the definition of "Connected Scheme" below), employers are associated if one is under the control of the other, or both are under the control of a third party, where "control"

has the meaning ascribed to it in Section 840 of the Act (or, in the case of a close company, Section 416 of the Act).

"Associated Scheme" means:-

- (a) in respect of a Member who is subject to Part IIC of this Schedule, any Relevant Scheme which is a Connected Scheme or which provides Relevant Benefits in respect of Service, and.
- (b) in respect of any other Member, any Relevant Scheme providing Relevant Benefits in respect of Service.

"Auditor" means a person (or persons) qualified to act as an auditor of a company under Section 389 of the Companies Act 1985, or a person approved by the Secretary of State for Social Security, not being:-

- (i) a Member;
- (ii) a trustee of the Plan;
- (iii) a person who is employed under a contract of service by the Trustees;
- (iv) any of the Employers, or
- (v) a director or Employee of any of the Employers or any other person prohibited from being an auditor of the Plan by the Disclosure Regulations.

"Beneficiaries" means and includes the following:-

- (i) the Member's spouse or any ancestor or descendant (however remote the relationship) of the Member or of his spouse and the spouse of any such ancestor or descendant,
- (ii) any brother or sister of the Member or of his spouse (whether of the whole or the half-blood) and any descendant of any such brother or sister and the spouse of any such brother or sister or of any such descendant of any such brother or sister,
- (iii) any step-brother or step-sister of the Member or of his spouse and any descendant of any such step-brother or step-sister and the spouse of any such step-brother or step-sister or of any such descendant of any such step-brother or step-sister,
- (iv) any uncle or aunt of the Member or of his spouse and any descendant of any such uncle or aunt and the spouse of any such uncle or aunt or of any such descendant of any such uncle or aunt,

whether or not, in any of the cases (i), (ii), (iii) and (iv) immediately above, the Member was liable for (or to contribute to) their maintenance or support and including any such person related by adoption,

- (v) any other natural person who, in the Trustees' opinion, has been dependent or partly dependent on the Member for maintenance or support.

- (vi) any person (whether or not a natural person) entitled to any interest in the Member's estate under any testamentary disposition made by him and in respect of which a grant of representation has been obtained, and
- (vii) any nominee (who may be an individual, a charity, an association or body corporate) of the Member whom he wishes to be treated as a beneficiary for the purposes of the Plan and whose name and address the Member has notified to the Trustees in writing

and for the purpose of this definition:-

- I. "spouse" includes wife, husband, widow, widower and any former wife or husband and a person who the Member (or other relevant person) has gone through any lawful ceremony of marriage with;
- II. "descendant" includes step-children, and
- III. the class of Beneficiaries shall be closed at the Member's death EXCEPT THAT it shall include persons then conceived who, if born, would have been Beneficiaries.

"Calculation Date" means the date of (or the date regarded as the date of) the Member's retirement or, if earlier, the date on which the Member's Pensionable Service terminated (for whatever reason).

"Certified Amount" has the meaning ascribed to it in Section 47(2) of the Pensions Act in circumstances where it is certified by the Secretary of State for Social Security and a like meaning in circumstances where it is not so certified.

"Commencement Date" means the 1st March 1989.

"Connected Scheme" means any Relevant Scheme which is connected with the Plan in relation to the Member; that is to say, where all of the following apply:-

- (a) there is a period during which the Member has been the employee of two associated employers;
- (b) that period counts under both the Plan and the Relevant Scheme as a period in respect of which Relevant Benefits are payable, and
- (c) that period counts under the Plan as Service and under the Relevant Scheme as service with the other employer.

"Contracted-out Employment" has the meaning ascribed to it in Section 30 of the Pensions Act, and for the purpose of this definition:-

- A. in the event of accrued rights to Guaranteed Minimum Pension (whether derived from protected rights or otherwise) being transferred to the Plan under the provisions of Clause 6 of the Trust Deed, the expression "Contracted-out Employment" shall, for the purposes of Rule 16(a) and the definition of "Contracted-out Member" immediately below, be deemed to include:

- (i) employment in any period of Qualifying Service which was Contracted-out Employment by reference to the Retirement Benefits Scheme which such accrued rights were transferred from, and
 - (ii) any period during which minimum contributions (as defined in the Social Security Act 1986) were paid to a Personal Pension Scheme, and in respect of which the Member would be treated as entitled to a Guaranteed Minimum Pension (at a rate other than nil) by virtue of Section 4 of the Social Security Act 1986 or Section 29(2) or (2A) of the Pensions Act and from which Personal Pension Scheme a transfer of such protected rights has been made, and
- B. if a Member takes up Contracted-out Employment in relation to the Plan not more than six months after ceasing to be in such Contracted-out Employment with the same Employer, or with another Employer covered in relation to such Contracted-out Employment by a Contracting-out Certificate issued to an Employer which either is a holding company or is treated by the Occupational Pensions Board as a holding company, the two periods of Contracted-out Employment shall be treated as continuous, subject to a Contributions Equivalent Premium either not having been paid on termination of the earlier period, or having been so paid and refunded by the Department of Social Security.

"Contracted-out Member" means a Member who is (or has been) in Contracted-out Employment by reference to the Plan other than such a Member in respect of whom a State Scheme Premium (other than a limited revaluation premium as defined in Section 45(1) of the Pensions Act) has been paid.

"Contracted-out Salary Related Scheme" means an occupational pension scheme which is contracted-out by virtue of Section 32(2) of the Pensions Act.

"Contracting-out Certificate" has the meaning ascribed to it in Section 30(1) of the Pensions Act.

"Contributions Equivalent Premium" has the meaning ascribed to it in Section 42(1) of the Pensions Act.

"Contributory Member" means a Member who has any Member's Contributions in the Fund.

"Controlling Director" means a director of one or more of the Employers who was prior to 6th April, 1973 a controlling director (as defined in Section 624(3) of the Act) of one or more of the Employers.

"Dependants" means any of the following:-

- (i) the wife, husband, widow, widower, child or children of a Member, and
- (ii) any other natural person who, in the Trustees' opinion, is financially dependent upon that Member (or was so dependent) at the date of his death or retirement as appropriate

PROVIDED THAT a child may be a Dependant only if he satisfies one of the following conditions:

- A. he is under the age of 18 years;
- B. he has attained the age of 18 years and is receiving full-time educational or vocational training which has been continuous since that age;
- C. he has attained the age of 18 years and would satisfy condition B of this Proviso but for a temporary interruption in his educational or vocational training, or
- D. he has attained age 18 years and does not satisfy condition B or C of this Proviso but is financially dependent on the Member by reason of mental or physical incapacity.

"Disclosure Regulations" means the Occupational Pension Schemes (Disclosure of Information) Regulations 1986.

"Employees" means employees of the Employer who are normally resident in Great Britain or Northern Ireland or such other countries as may be agreed by the Trustees.

"Employer" means that one of the Employers who any particular Employee is for the time being employed by.

"Employers" means collectively the Principal Employer and any Associated Employers.

"Employer's Schemes" means all Retirement Benefits Schemes of the Employer or which the Employer contributes (or has contributed) to.

"Exempt Approved Scheme" has the meaning ascribed to it by Section 592(1) of the Act.

"Final Pensionable Salary" means the greater of

- (i) the standard salary received in the twelve months ending on the Member's Normal Pension Date or earlier date of death or leaving Pensionable Service, reduced by one and one-half times the Lower Earnings Limit at the preceding 6th April, and
- (ii) the highest annual average of Pensionable Salary in any three consecutive years in the ten years (or such short period as he has been a Member) ending on the Member's Normal Pension Date or earlier date of death or leaving Pensionable Service.

Provided that if the Member had not been in Service for the whole of the said twelve months Final Pensionable Salary shall be calculated as if Standard Salary at the date of joining Service had been received by the Member from the beginning of that period.

"Final Remuneration" means:-

(a) in respect of a Member whose Pensionable Service terminated (for whatever reason) on or before 16th March, 1987, or to whom the Occupational Pension Schemes (Transitional Provisions) Regulations 1988 apply, the greater of:-

(i) the highest Remuneration for any one of the 5 years preceding the Calculation Date, being the aggregate of:-

I. the basic pay for the year in question, and

II. the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year, of any fluctuating emoluments PROVIDED THAT fluctuating emoluments of a year other than the basic pay year may be increased in proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year, and

(ii) the yearly average of the total emoluments for any 3 or more consecutive years ending not earlier than 10 years before the Calculation Date

EXCEPT THAT:-

A. in relation to a Restricted Director or Special Director, Final Remuneration shall be the amount ascertained in accordance with (ii) above and (i) above shall not apply, and

B. where Final Remuneration is computed by reference to any year other than the last complete year ending on the Calculation Date, the Member's Remuneration (as calculated in (i) above) or total emoluments (for the purposes of (ii) above) for that year may be increased in proportion to any increase in the Index from the last day of that year up to the Calculation Date, but this exception shall not apply to the calculation of the maximum Lump Sum Retirement Benefit in accordance with paragraph 2 of Part IIB of this Schedule unless the Member's Aggregate Retirement Benefit is similarly increased beyond the maximum amount which could have been paid but for this exception and the Proviso to (i)II above and then only to the same proportionate extent,

and

(b) in respect of any other Member, the greater of:-

(i) the highest Remuneration for any one of the 5 years preceding the Calculation Date, being the aggregate of:-

I. the basic pay for the year in question, and

II. the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year, of any fluctuating emoluments PROVIDED THAT fluctuating emoluments of a year other than the basic pay year may be increased in

proportion to any increase in the Index from the last day of that year up to the last day of the basic pay year, and

- (ii) the yearly average of the total emoluments for any 3 or more consecutive years ending not earlier than 10 years before the Calculation Date

PROVIDED THAT for the purposes of (a) and (b) of this definition:-

A. other than for the purposes of paragraph 3 of Part IIB of this Schedule, Remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares or anything in respect of which tax is chargeable by virtue of Section 148 of the Act EXCEPT THAT such amounts may be included where the shares or the option or other interest in shares gave rise to a schedule E tax liability before 17th March, 1987 or, alternatively, where the schedule E tax liability arises on or after 17th March, 1987 in respect of such shares, option or interest acquired (or granted) before that date;

B. other than for the purposes of Part IIC and paragraph 3 of Part IIB of this Schedule, in relation to a Restricted Director, Special Director or any other Member whose Remuneration in any year subsequent to 5th April, 1987 used for the purpose of calculating benefits has exceeded £100,000 or such other figure as may be prescribed in an order made by the Treasury, Final Remuneration shall (subject to Proviso D below) be the amount ascertained in accordance with (b)(ii) above and (b)(i) above shall not apply EXCEPT THAT (1) in relation to any Member whose Remuneration, in the year immediately prior to the Calculation Date, is £100,000 or more, his Final Remuneration shall be the greater of (a) £100,000 and (b) the amount ascertained in accordance with (b)(ii) above (in which case, (b)(i) above shall not apply), and (2) in relation to any Member (other than a Restricted Director or Special Director) who retires on or before 5th April, 1991, and to whom (1) above does not apply, his Final Remuneration shall not exceed the greater of

I. the greater of (a) the amount ascertained in accordance with (b)(ii) above and (b) his Remuneration assessable to income tax under schedule E for the year of assessment 1986-1987 or, if greater, for an earlier year of assessment if within 5 years of the Member's retirement

and

II. his total remuneration (within the meaning given by Section 612(1) of the Act) assessable to income tax under schedule E for the year of assessment 1986-1987;

C. where Final Remuneration is computed by reference to any year other than the last complete year ending on the Calculation Date, the Member's Remuneration (as calculated in (b)(i) above) or total emoluments (for the purposes of (b)(ii) above) for that year may be increased in proportion to any increase in the Index from the last day of that year up to the Calculation Date, but this Proviso shall

not apply to the calculation of the maximum Lump Sum Retirement Benefit in accordance with paragraph 2 of Part IIB or C of this Schedule, unless (and subject to Proviso D below) the Member's Aggregate Retirement Benefit is similarly increased beyond the maximum amount which could have been paid but for this Proviso and the Proviso to (b)(i)II above and then only to the same proportionate extent, nor shall this Proviso apply to the exception to Proviso B above unless the year of assessment is earlier than the year 1986-1987;

- D. for the purpose of the calculation of the maximum Lump Sum Retirement Benefit in accordance with paragraph 2 of Part IIB of this Schedule, Final Remuneration shall not (except for Members who were Members before 17th March, 1987) in any event exceed £100,000 or such other sum as may be specified in an order made by the Treasury, and
- E. in relation to all Members who are subject to Part IIC of this Schedule, the following shall apply:-
- (a) Remuneration in relation to any year means the aggregate of the total emoluments (for the year concerned)
 - I. from the Employer, and
 - II. in respect of any Associated Employment or any Connected Scheme

which are assessable to income tax under schedule E, but excluding any emoluments in excess of the permitted maximum as defined in Section 590C(2) of the Act, and

- (b) Final Remuneration (and the annual rate of the Member's total remuneration for the purpose of calculating the maximum benefits in accordance with paragraphs 3 and 4(iii) of Part IIC of this Schedule) shall not exceed the permitted maximum as defined in Section 590C(2) of the Act.

"FSAVCS" means a Retirement Benefits Scheme, commonly referred to as a 'Free-Standing Additional Voluntary Contribution Scheme', approved under Section 591(2)(h) of the Act and to which the Member's Employer is not a contributor and which provides Relevant Benefits additional to those provided by the Plan.

"Fund" means the investments, monies and other assets for the time being held by the Trustees for the purposes of the Plan.

"Guaranteed Minimum Pension" means any pension provided under the Plan for a Contracted-out Member from State Pensionable Date, or for the widow (or widower) of a Contracted-out Member from the date of the Member's death, to the extent to which its rate is equal to the relevant minimum rate required by paragraph (ii), (iii) or (iv) of Rule 16(b).

"Incapacity" means physical or mental deterioration which, in the Trustees' opinion, prevents the Member from following his normal employment or seriously impairs his earning capacity.

"Index" means the Government's Index of Retail Prices or any other official cost of living index published by authority in place of (or in substitution for) that Index.

"Long Service Benefit" means the type of benefits which a Member (or any Beneficiary, Personal Representative or Dependant of that Member) would be entitled to at or after Normal Pension Date under the Plan if he remained in Pensionable Service until Normal Pension Date.

"Lower Earnings Limit" means the annual level of earnings at which liability for Class 1 National Insurance Contributions as defined in Part 1 of the Pensions Act, arises.

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

"Members" means:-

- (i) those Employees who, being eligible for membership in accordance with Rule 2, have been admitted to membership of the Plan,
- (ii) such other persons admitted to membership of the Plan in accordance with Clause 8 of the Trust Deed, and
- (iii) any former Employees

so long as (and only for so long as) they remain entitled or prospectively entitled to any benefit under the Plan.

"Member's Contributions" means the sum of:-

- (i) any contributions paid by the Member under the provisions of Rule 3, and
- (ii) any amount received by the Trustees under the provisions of Clause 6 of the Trust Deed which is so designated.

"Non-Qualifying Member" means a Member who is not a Qualifying Member.

"Normal Pension Date" means such date as shall be agreed between the Trustees, the Employer and a Member on the date on which he is admitted to membership of the Plan

PROVIDED THAT:-

- A. such date shall not without the prior consent of the Board of Inland Revenue be prior to the Member's 60th birthday (if male) or 55th birthday (if female) or to the Member's normal retirement date under any other of the Employer's Schemes nor subsequent to the Member's 70th birthday, and in the case of a Contracted-out Member shall not, without the Occupational Pensions Board's prior consent, be subsequent to the Member's State Pensionable Date;
- B. it shall, in the case of a Specified Member, be his 60th birthday unless the Employer shall advise it to be such other date (within

the limits specified in Proviso A immediately above) as shall have been agreed between the Trustees, the Employer and the Member, and

C. Normal Pension Date, once fixed in accordance with this definition, may subsequently be altered as agreed between the Trustees, the Employer and the Member, subject to:

I. the consent of the Board of Inland Revenue having been obtained where it is altered to (a) a date earlier than that originally fixed, and the Member is within five years of the new date, or (b) a date later than the Member's 70th birthday, and

II. in the case of a Contracted-out Member, the Occupational Pensions Board's consent having been obtained where it is altered to a date later than the Member's State Pensionable Date.

"Participating Date" means, in the case of the Principal Employer, the Commencement Date and in the case of an Associated Employer, the effective date of that employer's admission to the Plan.

"Pensionable Salary" shall be determined:

- (1) on 1st July 1989 and 1st July 1990 for the Plan Years commencing on those dates, and means Standard Salary on that date reduced by one and one-half times the Lower Earnings Limit on that date, and
- (2) on 1st February 1991 and on each 1st February thereafter for the Plan Years commencing on those dates and means Standard Salary on that date reduced by one and one-half times the Lower Earnings Limit applicable on the following 6th April,

Provided that if a Member joins the Plan for full benefits other than on the first day of a Plan Year Pensionable Salary in respect of the initial part of a Plan Year is his Standard Salary on the date of joining reduced by one and one-half times the Lower Earnings Limit which was applied to determine Pensionable Salary on the first day of that Plan Year.

"Pensionable Service" means the continuous Service (but excluding any period of Service during which the Member, by virtue of Rule 2(f) or (g) having applied in respect of him, is not entitled to accrue Long Service Benefit) which a Member completes subsequent to the date of joining the Plan and prior to Normal Pension Date and which qualifies the Member for Long Service Benefit together with any Service which was pensionable under the Previous Scheme.

EXCEPT THAT two separate periods of continuous Service shall be aggregated and regarded as one period of continuous Service if the break between them:-

- A. was due to pregnancy or confinement and the Member re-entered Service in exercise of a right under Section 45(1) of the Employment Protection (Consolidation) Act 1978 or
- B. coincided with, or occurred within, a break between two periods of Contracted-out Employment which are treated as continuous in

accordance with paragraph B of the definition of "Contracted-out Employment" above, or

- C. arose in consequence of a trade dispute within the meaning of Section 19(2)(b) of the Social Security Act 1975.

"Pension Payment Date" means:-

- (i) in the case of a pension payable to a Dependant under Rule 6, 7, 8 or 12 the first day of the month coincident with or, if there be no such coincident date next following the date of the Member's death or, if the Member's pension is payable for a fixed period of more than five years, any later date of expiry of such fixed period in the case of a pension payable under Rule 8, and
- (ii) in the case of a pension payable to a Member the first day of the month coincident with or, if there be no such coincident date next following the date of (or in accordance with any provision of the Rules regarded as the date of) actual retirement.

"Pensioner's Rights Premium" has the meaning ascribed to it in Section 44(3) of the Pensions Act.

"Pensions Act" means the Social Security Pensions Act 1975.

"Personal Pension Scheme" means a scheme approved under Chapter IV of Part XIV of the Act.

"Personal Representatives" means the executors or administrators of a deceased Member's estate.

"Plan Year" means:-

- (1) the period commencing on 1st March 1989 and ending on 30th June 1989,
- (2) the period of twelve consecutive calendar months commencing on 1st July 1989,
- (3) the period commencing on 1st July 1990 and ending on 31st January 1991, and
- (4) the period of twelve consecutive calendar months commencing on 1st February 1991 and on any subsequent 1st February.

"Previous Scheme" means The Halcrow Staff Pension Scheme established by a deed dated the 29th day of June 1972.

"Qualified Policies" means Approved Policies other than those issued by a member of Lloyd's, by any other association of underwriters or by any other body, association or society referred to in Section 2 of the 1982 Act.

"Qualified Scheme" means:-

- (i) a Retirement Benefits Scheme approved under the Act;
- (ii) a Personal Pension Scheme, or
- (iii) any other fund, scheme or arrangement approved by the Board of Inland Revenue for the purpose of any transfer of assets to it from the Plan.

"Qualifying Member" means a Member who has completed not less than two years' Qualifying Service, or for whom a transfer payment in respect of his rights under a personal pension scheme (as defined in the Social Security Act 1986), or under an FSAVCS, has been accepted in accordance with Clause 6 of the Trust Deed.

"Qualifying Service" means the aggregate of the following periods:-

- (i) the number of complete and continuous years and months of Service which a Member completes subsequent to the date of his last entry into membership of the Plan;
- (ii) the number of years and months of Service which qualify the Member for benefit under any other Retirement Benefits Scheme of the Employer;
- (iii) the number of years and months of service whilst a member of another Retirement Benefits Scheme relating to the same or any other employment in respect of which additional rights to Long Service Benefit have been granted under the Plan in substitution for accrued rights under such other Retirement Benefits Scheme, whether by transfer direct from that scheme, or via the surrender of benefits previously secured by a Qualified Policy, and
- (iv) the number of years and months of service which gave rise to the benefits under a Qualified Policy which has been accepted in accordance with Clause 6 of the Trust Deed

and for the purpose of this definition:-

- A. no account shall be taken of any period which does not qualify the Member for Long Service Benefit or for similar benefits under the other Retirement Benefits Scheme or Qualified Policy;
- B. no period of time shall be reckoned twice;
- C. the Member shall be deemed not to have left Service if he re-enters Service after an interval not exceeding one month;
- D. the Member shall be deemed not to have left Service if, having completed two years' Qualifying Service, he subsequently re-enters Service, and
- E. if a female Member re-enters Service after an absence for pregnancy or confinement in exercise of a right under Section 45(1) of the Employment Protection (Consolidation) Act 1978, the two periods of Service shall be regarded as continuous.

"Relevant Benefits" has the meaning ascribed to it by Section 612(1) of the Act.

"Relevant Date" means, other than for the purpose of exception B to paragraph (i) of Rule 12(o), the later of the date on which a Member's Pensionable Service terminates and the date on which that Member makes a valid application in accordance with paragraph (ii) of Rule 12(o) and which has not been withdrawn in accordance with paragraph (iii) of that Rule. For the purpose of exception B (as referred to above), "Relevant Date" means the later of the date on which a Member's Service terminates and the date on which that Member makes a valid application, which has not been withdrawn as mentioned above.

"Relevant Scheme" means any scheme approved (or seeking approval) under Chapter I Part XIV of the Act.

"Retirement Benefits Scheme" has the meaning ascribed to it by Section 611(1) of the Act.

"Schedule" means the schedule which this Part I is part of (as attached to and forming part of the Rules) and which consists of Parts I, II, III and IV.

"Section 49 Salary Related Scheme" means an occupational pension scheme which was formerly a Contracted-out Salary Related Scheme and which the Occupational Pensions Board are under a duty to supervise in accordance with Section 49 of the Pensions Act.

"Segregated Voluntary Contribution Assets" has the meaning ascribed to it in Clause 5(b) of the Trust Deed.

"Segregated Voluntary Contribution Benefits" means (a) where separate accounts are maintained (in accordance with Clause 13(b) of the Trust Deed) in respect of each Member concerned, such additional benefits as can be purchased on a money purchase basis for (or in respect of) the Member by that part of the Segregated Voluntary Contribution Assets as is attributable to that Member and (b) where such separate accounts are not maintained, such additional benefits as can be purchased on a money purchase basis for (or in respect of) the Member by that part of the Segregated Voluntary Contribution Assets as shall be determined by the Actuary to be attributable to that Member.

"Self-Employed Pension Arrangement" means a Personal Pension Scheme which is neither a personal pension scheme within the meaning of the Social Security Act 1986, nor a contract or a scheme approved under Chapter III of Part XIV of the Act.

"Service" means, other than for the purposes of Part II of this Schedule, service with (or employment by) any one or more of the Employers and, for the purposes of the Plan, transfer of service or employment between any of the Employers shall not be construed as termination of Service. For the purposes of Part II of this Schedule, "Service" means:-

(a) in respect of a Member who is subject to Part IIC of this Schedule, the aggregate of:-

(i) service with (or employment by) any one or more of the Employers, and

(ii) any period which counts in respect of any Associated Employment or any Connected Scheme,

and

(b) in respect of any other Member, service with (or employment by) any one or more of the Employers.

"Short Service Benefit" means benefits consisting of or comprising benefits of any description which would have been payable to (or in respect of) a Member as Long Service Benefit.

"Special Director" means a Member who, at any time on or after 17th March, 1987 (and, in the case of a Member who retires, at any time in the last 10 years before retirement), has been both within the definition of a director in Section 612(1) of the Act and within paragraph (b) of Section 417(5) of the Act in relation to the Employer who the Member is, or has been, employed by.

"Specified Member" means a Member who at the date of his admission to the Plan or, if he has been admitted to membership more than once, the date of his last such admission, was eligible for membership in accordance with the Proviso to Rule 2(a).

"Standard Salary" means:-

(i) before 1st July 1989, basic annual salary or wages of a Member at the relevant date, and

(ii) on or after 1st July 1989 standard annual salary or wages of a Member at the relevant date

excluding in either case, bonuses, commission, overtime or any other fluctuating emoluments.

"State Pensionable Date" means, in relation to a male Member, his 65th birthday and in relation to a female Member, her 60th birthday.

"State Scheme Premium" means an Accrued Rights Premium, a Contributions Equivalent Premium, a limited revaluation premium (as defined in Section 43(1) of the Pensions Act), a Pensioner's Rights Premium or a Transfer Premium.

"Temporary Additional Pension" means a pension ceasing when the Member reaches State Pensionable Date.

"Temporary Absence" means any period of temporary absence from Service:-

(i) due to injury or illness, but not exceeding two and one half years or such longer period as the Employer shall decide;

- (ii) during which the Member ceases to be actively and continuously engaged in his ordinary occupation for the purpose of service with the Armed Forces of or other work of national importance for the United Kingdom or any allied country including secondment to a Government Department and in respect of which the Employer decides that the provisions of Rule 13 shall apply to the Member;
- (iii) due to pregnancy or confinement during which a female Member may exercise her right to return to work, having notified the Employer of her intention to do so under the provisions of Section 33 of the Employment Protection (Consolidation) Act 1978;
- (iv) for reasons other than those referred to in paragraphs (i), (ii) and (iii) of this definition, not exceeding three years or such longer period as shall be agreed by the Board of Inland Revenue.

"Transfer Premium" has the meaning ascribed to it in Section 44A of the Pensions Act.

"Trivial Pension Limit" means £104 per annum or such higher amount per annum as may be prescribed from time to time by regulations made under paragraph 15(4) of Schedule 16 of the Social Security Act 1973 and Section 39(1) of the Pensions Act and as is consistent with approval of the Plan under the Act.

"Trust Deed" means the deed which these Rules are attached to (as amended from time to time).

"Voluntary Contributions" means and includes voluntary contributions paid by a Member to the Fund in accordance with Rule 3(a) and that part of any transfer into the Fund (in accordance with Clause 6 of the Trust Deed) which is attributable to voluntary contributions made (or deemed to be made) by a Member to the Retirement Benefits Scheme from which such transfer is made.

SCHEDULE - PART II

MAXIMUM MEMBER'S CONTRIBUTIONS AND BENEFITS ALLOWED BY THE INLAND REVENUE

Note:- This Part sets out the maximum Member's Contributions and the maximum benefits which will not prejudice approval of the Plan as an Exempt Approved Scheme. It does not indicate the contributions which a Member is required to pay to the Plan nor does it confer any benefits of any kind on any Member of the Plan.

A. MAXIMUM MEMBER'S CONTRIBUTIONS AND AUGMENTATION OF BENEFITS

1. Maximum amount payable

If and for so long as the Plan is to be treated as an Exempt Approved Scheme, the total contributions paid by a Member in a year of assessment to the Plan and to all Relevant Schemes shall not exceed 15% of his total remuneration for that year in respect of service to which those schemes apply, unless a greater amount is permitted by the Board of Inland Revenue.

For the purpose of this section A, total remuneration shall:-

- (i) exclude any amounts which arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares or anything in respect of which tax is chargeable by virtue of Section 148 of the Act, and
- (ii) exclude any remuneration in excess of the permitted maximum as defined in Section 590C(2) of the Act.

2. Return of surplus funds

If the value of a Member's Voluntary Contributions (including, for the purposes of this Part II, any interest or earnings on them) exceeds the amount required to bring the Member's Plan benefits up to the relevant limits set out in section B or C (as appropriate) below, the Trustees shall deduct from such excess any tax payable by them in accordance with Part III of Schedule 6 of the Finance Act 1989 and return the balance to the Member.

3. Augmentation of benefits

Where a Member is a member of a FSAVCS which provides additional Relevant Benefits to supplement those provided by the Plan, the provisions of the paragraph immediately below shall apply in relation to any augmentation of the Relevant Benefits provided for him by the Plan after he has ceased to participate in the FSAVCS.

Any provisions in the Trust Deed or the Rules imposing a limit on the amount of a benefit provided for the Member shall have effect (despite anything in them to the contrary) as if they provided for the limit to be reduced by the amount of any like benefit provided for him by the FSAVCS.

B. MAXIMUM BENEFITS OF MEMBERS (OTHER THAN MEMBERS TO WHOM PART II OF SCHEDULE 6 OF THE FINANCE ACT 1989 APPLIES)

- (I) Despite anything to the contrary in the Trust Deed or the Rules, for so long as the Plan is to be treated as an Exempt Approved Scheme, the benefits payable to a Member, to his Dependants, Personal Representatives or Beneficiaries shall not, when aggregated with all benefits of a like nature provided under all FSAVCS and Relevant Schemes providing benefits in respect of Service, exceed the limits set out in this section B.
- (II) The Principal Employer may (with the Trustees' consent) in its absolute discretion permit a Member, who would otherwise be subject to this section B, to give to the Trustees (at any time prior to the Calculation Date) written notice to the effect that section C of this Part II is to apply to him.

1. Member's maximum Aggregate Retirement Benefit

The Member's Aggregate Retirement Benefit shall not exceed:-

- (i) on retirement at (or before) Normal Pension Date, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act;
- (ii) on retirement after Normal Pension Date, a pension of the greatest of:-
- A. the amount calculated in paragraph 1(i) immediately above on the basis that the actual date of retirement was the Member's Normal Pension Date;
 - B. the amount which could have been provided at Normal Pension Date in accordance with paragraph 1(i) immediately above increased either by such amount as shall be determined by the Actuary in respect of the period of deferment or in proportion to any increase in the Index during that period, and
 - C. where the Member's total Service has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Service before Normal Pension Date (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Service after Normal Pension Date, with an overall maximum of 45 reckonable years,

Final Remuneration being computed, in respect of sub-paragraphs A and C above, as at the actual date of retirement, but subject always to paragraph 6 of this section B;

- (iii) on termination of Pensionable Service (other than by retirement on pension) before Normal Pension Date, a pension of 1/60th of Final Remuneration for each year of actual Service (not exceeding 40 years), but excluding Service subsequent to termination of Pensionable Service, or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act. The amount computed as described above, which exceeds the Guaranteed

Minimum Pension accrued at the date of cessation of Contracted-out Employment, may be increased by the greater of 5% for each complete year and the increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. In addition, the Guaranteed Minimum Pension referred to above shall be increased in accordance with Rule 16(d).

2. Member's maximum Lump Sum Retirement Benefit

The Member's Lump Sum Retirement Benefit shall not exceed:-

- (i) on retirement at (or before) Normal Pension Date, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act, taking into account any additional Relevant Benefits secured by Voluntary Contributions, and by voluntary contributions to any Associated Scheme and to all FSAVCS which the Member has contributed to whilst in Service;
- (ii) on retirement after Normal Pension Date, the greatest of:-
 - A. the amount calculated in accordance with paragraph 2(i) immediately above on the basis that the actual date of retirement was the Member's Normal Pension Date;
 - B. the amount which could have been provided at Normal Pension Date in accordance with paragraph 2(i) immediately above, together with an amount representing interest on it, and
 - C. where the Member's total Service has exceeded 40 years, the aggregate of 3/80ths of Final Remuneration for each year of Service before Normal Pension Date (not exceeding 40 such years) and of a further 3/80ths of Final Remuneration for each year of Service after Normal Pension Date, with an overall maximum of 45 reckonable years,

Final Remuneration being computed, in respect of sub-paragraphs A and C immediately above, as at the actual date of retirement, but subject always to paragraph 6 of this section B;

- (iii) on termination of Pensionable Service (other than by retirement on pension) before Normal Pension Date, a lump sum of 3/80ths of Final Remuneration for each year of actual Service (not exceeding 40 years), but excluding Service subsequent to termination of Pensionable Service, or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act, taking into account any additional Relevant Benefits secured by Voluntary Contributions, and by voluntary contributions to any Associated Scheme and to all FSAVCS which the Member has contributed to whilst in Service. The amount computed as described in this paragraph (iii) may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable, but only if (and to the same extent as) the total benefits have been increased in accordance with paragraph 1(iii) of this section B.

3. Maximum lump sum benefit payable on the Member's death

The lump sum benefit (exclusive of any refund of the Member's Contributions (and any interest on them)) payable on the death of a Member while in Service or (having left Service with a deferred pension) before his pension starts to be paid shall not, when aggregated with all like benefits under Associated Schemes and FSAVCS which the Member has contributed to whilst in Service, exceed the greater of:-

I. £5,000, and

II. 4 times the greater of the annual rate of the Member's total remuneration from the Employer at the date of his death and his Final Remuneration

less

(i) any lump sum (other than a refund of his own contributions) payable, on the Member's death, under all Relevant Schemes in respect of service with previous employers, and

(ii) any lump sum life assurance benefit payable, on the Member's death, under a retirement annuity contract or trust scheme approved under Section 621 of the Act, under Personal Pension Schemes or FSAVCS which the Member has contributed to whilst not in Service

if the aggregate of such lump sums exceeds £1,000.

4. Maximum Dependants' pensions

Any pension for a Dependand, when aggregated with the pensions (other than those provided by surrender of the Member's own pension) payable to that Dependand under all Associated Schemes and all FSAVCS which the Member has contributed to whilst in Service, shall not exceed an amount equal to 2/3rds of the Aggregate Retirement Benefit:-

(i) being paid to the Member at the date of his death (including any pension increases given under Rule 9), or

(ii) being a deferred benefit payable to the Member at Normal Pension Date, or

(iii) prospectively payable to the Member who dies in Service had he remained in Service up to the Normal Pension Date at the rate of total remuneration in force immediately before his death, or

(iv) prospectively payable to the Member who dies in Service after Normal Pension Date on the basis that he had retired on the day before he died,

or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act.

If pensions are payable to more than one Dependand, the aggregate of all Dependands' pensions payable in respect of the Member under the Plan,

under all Associated Schemes and all FSAVCS which the Member has contributed to whilst in Service, shall not exceed the full amount of whichever is the appropriate Aggregate Retirement Benefit under (i), (ii), (iii) or (iv) of this paragraph or such greater sum as will not prejudice approval of the Plan under Chapter I Part XIV of the Act.

5. Pension increases

The maximum amount of a pension ascertained in accordance with this section B, less any pension which has been surrendered to provide a Dependant's pension may be increased by the greater of 3% for each complete year and the increase in the Index which has occurred since the pension started to be paid.

6. Limits which apply where benefits are taken in advance of the Member's actual retirement

If a Member elects under Rule 11(c) to take any part of his benefits under the Plan in advance of actual retirement, the limits set out in paragraphs 1 and 2 of this section B shall apply as if he had retired at the date of that election, no account being taken of subsequent Service, save that the maximum amount of any uncommuted pension not starting immediately may be increased either by such amount as shall be determined by the Actuary in respect of the period of deferment or in proportion to any increase in the Index during that period.

C. SPECIAL PROVISIONS IN RESPECT OF MEMBERS TO WHOM PART II OF SCHEDULE 6 OF THE FINANCE ACT 1989 APPLIES

(a) Members to whom this section applies

Except to the extent otherwise allowed by the Board of Inland Revenue this section C shall apply to:

- I. Members admitted to membership of the Plan on or after 1st June, 1989;
- II. any Member admitted to membership of the Plan before 1st June, 1989 who at any time prior to the date of (or the date regarded as the date of) his retirement gives to the Trustees written notice (in a form prescribed by the Board of Inland Revenue) to the effect that Part II of Schedule 6 of the Finance Act 1989 is to apply to him.

(b) Provisions which apply

The following shall apply in respect of all Members who fall within (a) immediately above:-

- (i) Rule 11(c) and paragraphs (i), (ii) and (iii) of Rule 15(c) shall not apply, and the provisions of the Trust Deed and the Rules shall have effect (despite anything in them to the contrary) as if they provided:-

- I. that a Member's retirement benefit shall be paid no later than the date on which he attains age 75, and

II. subject to I. immediately above, that no part of a Member's retirement benefit shall be paid in advance of actual retirement (or leaving service), except to the extent required by Rule 16 in respect of his Guaranteed Minimum Pension (if any), and

(ii) despite anything to the contrary in the Trust Deed or the Rules, for so long as the Plan is to be treated as an Exempt Approved Scheme, the benefits payable to a Member, to his Dependants, Personal Representatives or Beneficiaries shall not, when aggregated with all benefits of a like nature provided under all FSAVCS and Relevant Schemes providing benefits in respect of Service, exceed the limits set out below.

1. Member's maximum Aggregate Retirement Benefit

The Member's Aggregate Retirement Benefit shall not exceed:-

- (i) on retirement (other than before Normal Pension Date on grounds of Incapacity) at any time between attaining age 50 and attaining age 75, a pension of 1/60th of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act;
- (ii) on retirement at any time before Normal Pension Date on grounds of Incapacity, a pension of the amount which could have been provided at Normal Pension Date in accordance with paragraph 1(i) immediately above, Final Remuneration being computed as at the actual date of retirement;
- (iii) on termination of Pensionable Service (other than by retirement on pension) before attaining age 75, a pension of 1/60th of Final Remuneration for each year of actual Service (not exceeding 40 years), but excluding Service subsequent to termination of Pensionable Service, or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act. The amount computed as described above, which exceeds the Guaranteed Minimum Pension accrued at the date of cessation of Contracted-out Employment, may be increased by the greater of 5% for each complete year and the increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. In addition, the Guaranteed Minimum Pension referred to above shall be increased in accordance with Rule 16(d).

2. Member's maximum Lump Sum Retirement Benefit

The Member's Lump Sum Retirement Benefit shall not exceed:-

- (i) on retirement (other than before Normal Pension Date on grounds of Incapacity) at any time between attaining age 50 and attaining age 75, 3/80ths of Final Remuneration for each year of Service (not exceeding 40 years) or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act, taking into account any additional Relevant Benefits secured by Voluntary Contributions, and by voluntary contributions to any Associated

Scheme and to all FSAVCS which the Member has contributed to whilst in Service;

- (ii) on retirement at any time before Normal Pension Date on grounds of Incapacity, the amount which could have been provided at Normal Pension Date in accordance with paragraph 2(i) immediately above, Final Remuneration being computed as at the actual date of retirement;
- (iii) on termination of Pensionable Service (other than by retirement on pension) before attaining age 75, a lump sum of 3/80ths of Final Remuneration for each year of actual Service (not exceeding 40 years), but excluding Service subsequent to termination of Pensionable Service, or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act, taking into account any additional Relevant Benefits secured by Voluntary Contributions, and by voluntary contributions to any Associated Scheme and to all FSAVCS which the Member has contributed to whilst in Service. The amount computed as described in this paragraph (iii) may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable, but only if (and to the same extent as) the total benefits have been increased in accordance with paragraph 1(iii) of this section C.

3. Maximum lump sum benefit payable on the Member's death

The lump sum benefit (exclusive of any refund of the Member's Contributions (and any interest on them)) payable on the death of a Member while in Service or (having left Service with a deferred pension) before his pension starts to be paid shall not, when aggregated with all like benefits under Associated Schemes and FSAVCS which the Member has contributed to whilst in Service, exceed the greater of:-

- I. £5,000, and
 - II. 4 times the greater of the annual rate of the Member's total remuneration from the Employer at the date of his death and his Final Remuneration
- less
- (i) any lump sum (other than a refund of his own contributions) payable, on the Member's death, under all Relevant Schemes in respect of service with previous employers, and
 - (ii) any lump sum life assurance benefit payable, on the Member's death, under a retirement annuity contract or trust scheme approved under Section 621 of the Act, under Personal Pension Schemes or FSAVCS which the Member has contributed to whilst not in Service

if the aggregate of such lump sums exceeds £1,000.

4. Maximum Dependants' pensions

Any pension for a Dependant, when aggregated with the pensions (other than those provided by surrender of the Member's own pension) payable to that Dependant under all Associated Schemes and all FSAVCS which the Member has contributed to whilst in Service, shall not exceed an amount equal to 2/3rds of the Aggregate Retirement Benefit:-

- (i) being paid to the Member at the date of his death (including any pension increases given under Rule 9), or
- (ii) being a deferred benefit payable to the Member at any time between attaining age 50 and attaining age 75, or
- (iii) prospectively payable to the Member who dies in Service had he remained in Service up to the Normal Pension Date at the rate of total remuneration in force immediately before his death, or
- (iv) prospectively payable to the Member who dies in Service after Normal Pension Date on the basis that he had retired on the day before he died,

or such greater amount as will not prejudice approval of the Plan under Chapter I Part XIV of the Act.

If pensions are payable to more than one Dependant, the aggregate of all Dependants' pensions payable in respect of the Member under the Plan, under all Associated Schemes and all FSAVCS which the Member has contributed to whilst in Service, shall not exceed the full amount of whichever is the appropriate Aggregate Retirement Benefit under (i), (ii), (iii) or (iv) of this paragraph or such greater sum as will not prejudice approval of the Plan under Chapter I Part XIV of the Act.

5. Pension increases

The maximum amount of a pension ascertained in accordance with this section C, less any pension which has been surrendered to provide a Dependant's pension may be increased by the greater of 3% for each complete year and the increase in the Index which has occurred since the pension started to be paid.

SCHEDULE - PART III

MEMBERSHIP, CONTRIBUTIONS (IF APPLICABLE) AND BENEFITS OF SPECIFIED MEMBERS (EXCLUDING SPECIFIED MEMBERS WHOSE PENSIONABLE SERVICE HAS TERMINATED IN ACCORDANCE WITH RULE 12 AND WHO HAVE NOT RE-ENTERED MEMBERSHIP IN ACCORDANCE WITH RULE 2(i))

Contributions and benefits set out below are (as provided for in Rules 3 and 4(b) respectively) subject to the Inland Revenue limits set out in Part II of this Schedule.

1. Membership Categories applicable to Rule 2

All staff Employees who contractually work at least 30 hours a week and have not attained the age of 60 and whose contracts of employment entitle them to pension benefits.

Any Employee who being eligible declines to become a Member within four weeks of the date he became eligible will not be able to become a Member after he has attained the age of 25.

An Employee who being eligible declines to become a Member or terminates his Pensionable Service may be included as a Member for the purposes only of the lump sum death benefit payable under the provisions of Rule 7 (a) II and shall not be required to contribute to the Fund.

2. Member's Contributions applicable to Rule 3

A rate throughout a Plan Year of

(i) 4% of Member's Pensionable Salary in the case of a Member who has not attained his 25th birthday

and

(ii) 5% of a Member's Pensionable Salary in the case of any other Member

On attainment of age 25 the Member will change to the higher rate on the first day of the following month.

3. Member's Annual Rate of Pension - applicable to Rule 5

AR x N x FPS

plus in the case of a male Member a Temporary Additional Pension of:-

III
Schedule

$$\frac{MP \times 1.5 \times LEL}{FPS}$$

where AR is Accrual Rate

N is the number of complete years of Pensionable Service with a proportionate amount for any additional complete months

FPS is Final Pensionable Salary

MP is the annual amount of the Member's pension calculated in accordance with the formula $AR \times N \times FPS$

LEL is Lower Earnings Limit applied to determine Pensionable Salary on the later of 1st July or 1st February which is or next precedes Normal Pension Date

4. Return of Member's Contributions applicable to Rule 7 (a) I

Not applicable.

5. Lump Sum Death Benefit applicable to Rule 7 (a) II

a) In the case of a Member who is in Pensionable Service

$$4 \times SS$$

where SS is Standard Salary at the date of death

b) In the case of any other Member

£15,000

6. Dependant's Annual Rate of Pension applicable to Rule 7 (a) III

(a) Applicable to the spouse of a Member

$$1/2 \times P$$

If the spouse is more than ten years younger than the Member, the spouse's pension will be reduced according to factors advised by the Plan Actuary.

(b) Applicable to each child who is a Dependant of the Member and has not attained the age of 18 years or is continuing in full-time education and has not attained the age of 24 years.

If a pension was payable under (a) above $1/4 \times P$

If no pension was payable under (a) above $1/3 \times P$

Provided that the benefit shall be subject to a maximum of $1/2 \times P$ if a pension was payable under (a) and a maximum of $2/3 \times P$ if no such pension was payable, and shall be divided equally between the children

where in each case P is the annual rate of pension calculated in accordance with paragraph 3 of this Part of the Schedule on the basis that the Member had remained in Service until Normal Pension Date and that his Pensionable Salary remained unchanged.

7. Dependants Annual Rate of Pension applicable to Rule 8

(a) Applicable to the spouse of a Member

$$1/2 \times PP$$

If the spouse is more than ten years younger than the Member, the spouse's pension will be reduced according to factors advised by the Plan Actuary.

(b) Applicable to each child who is a Dependant of the Member and has not attained the age of 18 years or is continuing in full-time education and has not attained the age of 24 years.

If a pension was payable under (a) above $1/4 \times PP$

If no pension was payable under (a) above $1/3 \times PP$

Provided that the benefit shall be subject to a maximum of $1/2 \times P$ if a pension was payable under (a) and a maximum of $2/3 \times P$ if no such pension was payable, and shall be divided equally between the children

where in each case PP is the annual rate of pension payable to the Member at the date of death (in the case of a Member whose pension was reduced by the election of one or both of the options under (b) and (c) of Rule 6, the pension which would have been payable but for such elections) but excluding any Temporary Additional Pension

Provided that if a Member marries after retirement and dies within six months of such marriage the payment of any pension under Rule 8 other than a Guaranteed Minimum Pension shall be at the discretion of the Trustees. The Trustees may only exercise that discretion in respect of a child if that child was already a child of the Member before the marriage or if the Member was the legal guardian of that child at the date of death.

8. Pension Increases applicable to Rule 9

(i) Applicable to that part of the pension under the Plan which represents Guaranteed Minimum Pension attributable to earnings in the tax years from and including 1988/89.

A rate of 3% compounded on each first day of a Plan Year which occurs after State Pensionable Date.

- (ii) Applicable to all pension other than Temporary Additional Pension and pension which represents Guaranteed Minimum Pension.

A rate of 5% compounded on each first day of a Plan Year subsequent to the commencement of the pension provided that if the pension has not been paid for a full year or the previous Plan Year was less than a year the increase shall be adjusted accordingly.

- (iii) Applicable to Temporary Additional Pension.

An increase on each first day of a Plan Year subsequent to the commencement of the pension equal to the increase in the Lower Earnings Limit applied on that date to determine Pensionable Salary.

9. Death Benefits in Deferred Retirement applicable to Rule 11 (d)

- (a) A lump sum payable in accordance with Rule 7 (b) equal to the value as determined by the Actuary of five years' instalments of the pension which would have been payable to the Member had he retired on the day before the date of death.
- (b) Dependant's pensions payable in accordance with Rule 8 as described in paragraph 7 above, based on the amount of pension which would have been payable to the Member had he retired on the day before the date of death.

SCHEDULE - PART IV

BENEFITS OF SPECIFIED MEMBERS WHOSE PENSIONABLE SERVICE HAS TERMINATED IN ACCORDANCE WITH RULE 12

Benefits set out below are (as provided for in Rule 4(b)) subject to the Inland Revenue limits set out in Part II of this Schedule.

1. Short Service Benefit - applicable to 12 (a)

(a) Member's Annual Rate of Pension on Retirement at Normal Pension Date

BASIC PENSION + REVALUATION + TEMPORARY ADDITIONAL PENSION

where BASIC PENSION is

$$AR \times N \times FPS$$

where AR is Accrual Rate.

N is the number of complete years of Pensionable Service with a proportionate amount for any odd complete months

FPS is Final Pensionable Salary

where REVALUATION is

$$G + R$$

where G is the increase in the Guaranteed Minimum Pension attributable to the revaluation in accordance with Rule 16 (d)

R is an amount to be added to that part (if any) of a Member's Short Service Benefit which exceeds his Guaranteed Minimum Pension at the date of termination of Pensionable Service such additional amount being calculated in accordance with the following formula:-

A (D-E) where

A is 5% per annum compound for each complete year between the date of termination of Pensionable Service and Normal Pension Date.

Shutwell
TV

C is total Pensionable Service

D is BASIC PENSION

E is any part of the amount in D which consist of the Member's Guaranteed Minimum Pension at the date on which the Member's Pensionable Service terminates

where TEMPORARY ADDITIONAL PENSION is

$$\frac{\text{BASIC PENSION}}{\text{FPS}} \times 1.5 \times \text{LEL} + R^1$$

where BASIC PENSION is as above

FPS is Final Pensionable Salary

LEL is Lower Earnings Limit at the date of termination of Pensionable Service.

R¹ is the increase in the Lower Earnings Limit between the date of termination of Pensionable Service and Normal Pension Date subject to a minimum increase of 5% per annum compound for each complete year

(b) Dependant's Annual Rate of Pension arising on the death of a Member after retirement at Normal Pension Date

(A) Applicable to the spouse of a Member

$$1/2 \times \text{PP}$$

(B) Applicable to each child who is a Dependant of the Member and has not attained the age of 24 years

If a pension was payable under (A) above $1/4 \times \text{PP}$

If no pension was payable under (A) above $1/3 \times \text{PP}$

Provided that it shall be subject to a maximum of $1/2 \times \text{PP}$ if a pension was payable under (a) above and a maximum of $2/3 \times \text{PP}$ if no such pension was payable and shall be divided equally between the children.

where in each case PP is the annual rate of pension payable to the Member at the date of death (in the case of a Member whose pension was reduced by the election of one or both of the options under (b) and (c) of Rule 6, the pension which would have been payable but for such elections) but excluding any Temporary Additional Pension

after retirement?
spouse of member

Provided that if the Member marries after leaving Service and dies within six months of such marriage the payment of any pension under Rule 12 other than a Guaranteed Minimum Pension shall be at the discretion of the Trustees. The Trustees may only exercise that discretion in respect of a child if that child was already a child of the Member before the marriage or if the Member was the legal guardian of that child at the date of death.

(c) Pension Increases

(i) Applicable to that part of any pension under the Plan which represents Guaranteed Minimum Pension attributable to earnings in the tax years from and including 1988/89.

A rate of 3% compounded on each first day of a Plan Year which occurs after State Pensionable Date.

(ii) Applicable to all pension other than Temporary Additional Pension and pension which represents Guaranteed Minimum Pension.

A rate of 5% compounded on each first day of a Plan Year subsequent to the commencement of the pension provided that if the pension has not been paid for a full year or the previous Plan Year was less than a year the increase shall be adjusted accordingly.

(iii) Applicable to Temporary Additional Pension.

An increase on each first day of a Plan Year subsequent to the commencement of the pension equal to the increase in the Lower Earnings Limit applied on that date to determine Pensionable Salary.

2. Return of Member's Contributions applicable to Rule 12 (e) (i)

An amount equal to the Member's Contributions less any such contributions as have been refunded during his lifetime will be paid with interest at the rate of 6% per annum compound.

3. Lump Sum Death Benefit applicable to Rule 12 (e) (ii)

None

6%?

4. Dependant's Annual Rate of Pension - applicable to Rule 12 (e)
(iii)

Payable in respect of a Member who was entitled to a pension under sub-rule (a) or sub-rule (b) of Rule 12 and in respect of whom a Contributions Equivalent Premium was not paid

(a) to the spouse of such Member

$1/2 \times P$

(b) to any children who are Dependents of the Member and have not attained the age of 24 years

If a pension was payable under (a) above $1/4 \times P$

If no pension was payable under (a) above $1/3 \times P$

Provided that it shall be subject to a maximum of $1/2 \times P$ if a pension was payable under (a) above and a maximum of $2/3 \times P$ if no such pension was payable and shall be divided equally between the children.

where in each case P is the Member's pension calculated in accordance with sub paragraph 1 (a) of this Part but with G and R calculated up to the date of death but excluding any Temporary Additional Pension.

Provided that if a Member marries after leaving Service and dies within six months of such marriage the payment of any pension under Rule 12 other than a Guaranteed Minimum Pension shall be at the discretion of the Trustees. The Trustees may only exercise that discretion in respect of a child if that child was already a child of the Member before the marriage or the Member was the legal guardian of that child at the date of death.