CLAIMANTS UNABLE TO ACT

- payment of GMP to beneficiary under 18

30 (A) Where a Guaranteed Minimum Pension becomes payable to a widow or widower who is under age 18, the Trustees will pay it to her or him unless the widow or widower is in the opinion of the Trustees (having consulted not less than two persons who they consider to be appropriately qualified to provide medical evidence to them) unable to act because of incapacity Receipt of the Guaranteed Minimum Pension by the widow or widower will be a complete discharge to the Trustees for the payment.

- payment of other benefits

(B) This Sub-rule will apply if any benefit is payable to a beneficiary who is in the opinion of the Trustees (having consulted not less than two persons who they consider to be appropriately qualified to provide medical evidence to them) unable to act because of incapacity, or if a benefit other than a Guaranteed Minimum Pension is payable to a beneficiary under age 18

In either of those events, the Trustees can pay any part of the benefit to the beneficiary or can apply any part of it for the benefit of the beneficiary or any of his dependants in any manner they think appropriate

The Trustees can hold any part of the benefit until the beneficiary reaches age 18 or becomes able to act or, if he dies before then, for the benefit of his estate In addition the Trustees can pay all or any part of a benefit to the parent or guardian of a beneficiary who is under age 18 or unable to act or to any other person who the Trustees consider is responsible for his maintenance They will pay the benefit (or part of it) on the basis that the person receiving it will use it towards meeting the expenses of the household in which the beneficiary resides or in some other manner for his maintenance They will pay the benefit (or part of it) on the basis that the person receiving it will use it towards meeting the expenses of the household in which the beneficiary resides or in some other manner for his maintenance.

The receipt of the person to whom any payment is made will be a complete discharge to the Trustees for that payment.

- payment of GMPs or Section 9(2B) Rights

(C) Payments of a pension giving effect to a Guaranteed Minimum Pension or Section 9(2B) Rights can be suspended during any period when the beneficiary receiving the pension is, the opinion of the Trustees, unable to act by reason of mental disorder However, sums equivalent to the suspended pension

(1) will, except in so far as those sums are not, in the opinion of the Trustees, required for the maintenance of the beneficiary, be paid or applied for his maintenance,

(2) can, in so far as those sums are not, in the opinion of the Trustees, required for the maintenance of the beneficiary be paid or applied for the maintenance of any dependants of the beneficiary, and

(3) will, in so far as those sums are not, in the opinion of the Trustees, required for the maintenance of the beneficiary or of any dependant of his, be held by the Trustees for the beneficiary until he is again able to act or, if he should die before that happens, for his estate

The receipt of the person to whom any payment is made will be a complete discharge to the Trustees for that payment.

TWO OR MORE SPOUSES

31 If it appears to the Trustees that more than one person is or may be eligible for a spouse's pension

(a) they will pay any Guaranteed Minimum Pension to the person (if any) entitled under the Benefits Act to a widow's or widower's Category B retirement pension, widowed mother's allowance or widow's pension payable by virtue of the Member's national insurance contributions Alternatively, the Trustees will pay it to the person who would be entitled to a widow's or widower's Category B retirement pension but for section 43(1) of the Benefits Act or, in the case of a female Member, to her widower for the purposes of section 17(6) of the Pension Schemes Act, and

(b) the Trustees can pay any spouse's pension (or part of a spouse's pension) in excess of any Guaranteed Minimum Pension to any person or persons they consider appropriate in such shares as they decide Appropriate persons for this purpose will be any persons who have either been through a ceremony of marriage with the Participant, or who the Trustees consider have at any time been dependent on the Participant for, or provided by the Participant with, all or any of the ordinary necessaries of life, and

(c) any balance of a spouse's pension remaining after the application of (a) and (b) will cease to be payable

ASSIGNMENT AND FORFEITURE
- non-assignability

32 (A) No person who is entitled or prospectively entitled to a benefit under the Scheme can assign, charge, surrender or grant any form of security over any part of the benefit except when the Rules allow it. A Participant can assign part or all of his retirement benefits or rights to benefits under the Scheme to his Ex-spouse to the extent necessary to comply with a Pension Sharing Order

- forfeiture

(B) If any person entitled or prospectively entitled to benefits under the Scheme attempts to assign, charge or surrender any part of these benefits where this is not allowed under (A) neither that person nor any purported assignee will be entitled to any benefit. In these circumstances, the Trustees can pay all or part of the benefits to or for the benefit of all or any of that person and his Dependant However, this Sub-rule will not affect any Guaranteed Minimum Pension or Equivalent Pension Benefits to which a person is entitled under the Scheme. They will remain payable to the person entitled to them under the Scheme

SECURING BENEFITS OUTSIDE THE SCHEME BY PURCHASE OF POLICIES

33 When

(a) a Member does not have the Statutory Transfer Option and consents to the provision of a Buy-out Policy under this Rule, or

(b) a pension is in payment under the Scheme,

the Trustees can purchase or provide (including provision by assignment) a Buy-out Policy securing as nearly as possible the benefits or part of the benefits to which the Member or other person is or will be entitled under the Scheme A person for whose benefit a Buy-out Policy has been purchased or provided under this Rule, his personal representatives and any person claiming through him will cease to have any right to resort to the Fund in respect of the benefit or benefits secured or intended to be secured by the Buy-out Policy

The Buy-out Policy will satisfy the contracting-out requirements of the Pension Schemes Act and its purchase or provision must not prejudice the Scheme's Approval.

PART V - MISCELLANEOUS PROVISIONS RELATING TO MEMBERSHIP, CONTRIBUTIONS AND BENEFITS

TEMPORARY ABSENCE FROM WORK

34 (A) If a Member or Life Assurance Member is suspended or absent from work but remains in Service, this Rule will apply, unless it is overridden by the provisions of Rule 6 (Employment with an Overseas Employer) or Rule 35 (Maternity Absence) applies or he elects to leave the Scheme or ceases to be a Life Assurance Member under Rule 5 (Leaving the Scheme)

- maximum period of absence

(B) If suspension or absence lasts continuously for more than the maximum period, Rule 17 (Benefits on leaving the Scheme) will apply to anyone who is a Member and a Life Assurance Member will cease to be one The maximum period is three years or, if the Principal Employer decides (after consulting not less than two persons who it considers to be appropriately qualified to provide medical evidence to it) that absence is due to ill-health, any longer period that the Principal Employer tells the Trustees in writing

Continuous suspension or absence that lasts no longer than the maximum period is referred to in this Rule as "Permitted Absence"

- Member's contributions during and after absence

(C) In any part of Permitted Absence during which the Member's pay continues in full, his contributions under Part III of the Rules will continue in full If his pay reduces or stops, his contributions for the relevant period will correspondingly reduce or stop

- benefits for periods of absence

(D) In any part of Permitted Absence during which a Member's or Life Assurance Member's pay continues in full or at a reduced rate, pay related benefits will continue to be calculated under Part IV of the Rules. Any benefits that are not pay related or which relate to a period when the Member's or Life Assurance Member's pay is stopped will be calculated on a basis that the Trustees consider to be appropriate Any benefits payable if the Member or Life Assurance Member dies during or after Permitted Absence will also be subject to any conditions or restrictions set out in the Rule governing those benefits

- discretion to adopt a different basis

(E) The Principal Employer can decide subject to the provisions of Sub-rules 25 (A) and (C) that contributions or benefits for Permitted Absence will be greater than the amounts calculated as set out in (C) or (D) Any such increase will

(1) be subject to the agreement of the Member to the extent that it affects his contributions, and

(2) be limited to that necessary to compensate for any reduction resulting from a reduction in the Member's or Life Assurance Member's pay since Permitted Absence began. For the purposes of making this comparison, pre-absence pay can be increased on the same basis as the pay of employees of the Participating Employer in the same or a comparable category of employment over the same period

MATERNITY, PATERNITY AND ADOPTION ABSENCE - application

35 (A) This Rule applies to any Member or Life Assurance Member who is absent from work wholly or partly because of

(1) her pregnancy and who is entitled to some or all of the rights ("Maternity Rights") referred to in Chapter I of Part VIII of the Employment Rights Act, or

(2) his or her adoption of a child and who is entitled to some or all of the rights ("Adoption Rights") referred to in Chapter IA of Part VIII of the Employment Rights Act, or

(3) paternity leave and who is entitled to some or all of the rights ("Paternity Rights") referred to in Chapter 3 of Part VIII of the Employment Rights Act.

- refunds of contributions

(B) For the purpose of deciding whether any option to take a refund of contributions applies, the Trustees will treat a Member as remaining in Service during any period in which he or she has Maternity Rights, Adoption Rights or Paternity Rights including any period in which his or her right to return to work is postponed.

- effect of rights

(C) If a Member has Maternity Rights, Adoption Rights or Paternity Rights

calculation of Pensionable Service

(1) the Trustees will count as Pensionable Service

(a) any part of the period of absence that is ordinary maternity leave or is paternity leave for the purposes of Chapter I and Chapter 3 respectively of Part VIII of the Employment Rights Act or during which the Member was receiving contractual remuneration or statutory maternity pay or statutory paternity pay from the Participating Employer when

they calculate that Member's Pensionable Service

and

(b) any part of the period of absence that is ordinary adoption leave for the purposes of Chapter IA of Part VIII of the Employment Rights Act or during which the Member was receiving contractual remuneration or statutory adoption pay from the Participating Employer when they calculate that Member's Pensionable Service

Any other part of the period of absence will count as Pensionable Service only if the Member has paid the Ordinary Contributions under (4) which the Member would have paid if the Member had not been absent during that period or if the Principal Employer agrees to the period being counted

If a Member exercises his or her right to return to work after

(a) a period of absence that is either ordinary maternity leave or additional maternity leave for the purposes of Chapter I of Part VIII of the Employment Rights Act, or

(b) a period of absence that is either ordinary adoption leave or additional adoption leave for the purposes of Chapter IA of Part VIII of the Employment Rights Act, or

(c) a period of absence that is paternity leave for the purposes of Chapter 3 of Part VIII of the Employment Rights Act,

the Trustees will treat the periods of Pensionable Service immediately before the Member's absence, the period of the Member's absence that counts as Pensionable Service under this Sub-rule and the period of Pensionable Service immediately after the Member's absence as if they were one unbroken period.

benefits for Pensionable Service

(2) In respect of any absence that counts as Pensionable Service under (1), the Trustees will calculate benefits as though the Member was not absent from work and was working in accordance with his or her normal practice and receiving his or her normal earnings

death benefits

(3) If a Member or Life Assurance Member dies during a period of absence in which he or she has Maternity Rights, Paternity Rights or Adoption Rights

(a) (i) if the death occurs during any part of that absence that is ordinary maternity leave for the purposes of Chapter I of Part VIII of the Employment Rights Act or while the Member was receiving contractual remuneration or statutory maternity pay from the Participating Employer, or

(ii) if the death occurs during any part of that absence that is ordinary adoption leave for the purposes of Chapter IA of Part VIII of the Employment Rights Act or while the Member was receiving contractual remuneration or statutory adoption pay from the Participating Employer, or

(iii) if the death occurs during any part of that absence that is paternity leave for the purposes of Chapter 3 of Part VIII of the Employment Rights Act,

the benefits which would have applied if the Member had not been absent and had been working in accordance with his or her normal practice and receiving his or her normal earnings will be payable,

(b) if the death occurs during any other part of that absence, the benefits that would have applied if the Member had left Service immediately before the Member died (or any greater benefits that the Principal Employer tells the Trustees in writing) will be payable.

The Trustees will pay any lump sum benefit under this Sub-rule in accordance with Rule 20 (Payment of Lump Sum Death Benefit)

Member's Ordinary Contributions

(4) A Member will pay Ordinary Contributions during any period of absence in which he or she receives contractual remuneration, statutory maternity pay, statutory adoption pay or statutory paternity pay from the Participating Employer The Trustees will calculate the contributions by reference to the amount of contractual remuneration, statutory maternity pay, statutory adoption pay or statutory paternity pay that the Participating Employer pays the Member during that period

A Member will not pay Ordinary Contributions during any other period of absence in which he or she has Maternity Rights, Adoption Rights or Paternity Rights. If the Principal Employer agrees, the Member can arrange with the Trustees on his or her return to work to pay the Ordinary Contributions he or she would have paid if he or she had not been absent during that period

TRANSFERS FROM ANOTHER SCHEME

36 (A) For this Rule

- expressions used

personal pension scheme is defined in section 630 of the Taxes Act.

protected rights means rights under a personal pension scheme or occupational pension scheme to money purchase benefits wholly or partly in substitution for benefits under the state earnings related pension scheme

transferred GMP means

(1) accrued rights to guaranteed minimum pensions (as defined in the Pension Schemes Act) which have been transferred to the Scheme, or

(2) Guaranteed Minimum Pensions that have been created in the Scheme by a transfer of protected rights

transferee means the person or persons to whom the transfer relates

transferring arrangement means a fund, scheme, arrangement (including a retirement annuity contract or trust scheme approved under Chapter III of Part XIV of the Taxes Act or a personal pension scheme) or policy or contract like a Buy-out Policy

- acceptance

(B) The Trustees may, with the consent of the Principal Employer, accept a transfer of assets from a transferring arrangement, subject to Sub-rule 67(H) (transfers by ex-spouse participants of other schemes) when applicable The transfer can be for a person (whether or not a Member) or a group of persons and can include the whole or part of the assets of the transferring arrangement. The Trustees will not accept the transfer if it would prejudice the Scheme's Approval

- information to be obtained by the Trustees

(C) The Trustees will obtain from the administrators of the transferring arrangement any information they need including

(1) the extent to which the transfer arises from employee's contributions or contributions paid direct to a personal pension scheme or retirement annuity contract ("Transferred Employee Contributions"),

(2) the period of service to which the transfer relates That period will count as linked qualifying service,

(3) whether the transfer includes a payment from an approved scheme funded solely by employee's voluntary contributions under an agreement made after 7 April 1987, a fund to which Section 608 of the Taxes Act applies or a scheme approved under the Taxes Act with a normal retirement age of age 45 or earlier where benefits are wholly in non-commutable pension form, and

(4) details of any Pension Debit relating to the transfer payment.

- benefits general

(D) (1) On receipt of a transfer, the Trustees will, after obtaining the Actuary's advice, grant to the transferee such rights and benefits under the Scheme as they decide consistent with the Scheme's Approval

(2) If the transfer includes a payment referred to in (C)(3), the transfer can provide a lump sum retirement benefit only

(a) if the Trustees have received a certificate from the administrators of the transferring arrangement specifying the extent to which the transfer cannot be used for that purpose (a "nil cash certificate"), or

(b) if that would not prejudice the Scheme's Approval

If (a) applies, the lump sum will not exceed the amount permitted by the nil cash certificate

(3) If the transfer includes a payment referred to in (C)(4), the Trustees will take account of the Pension Debit, if appropriate, in the calculation of any limit on benefits for the transferee If a transfer of the fund underlying the benefits for the transferee is made later to a scheme approved under Chapter I Part XIV of the Taxes Act or a scheme approved under Chapter IV Part XIV of the Taxes Act, the Trustees must give full details of the Pension Debit to the receiving scheme

retirement lump sum restriction for Class B and C Members

(4) A transfer for a Class B or Class C Member (other than from a personal pension scheme) can provide a lump sum retirement benefit only

(a) if the Trustees have received a certificate from the administrators of the transferring arrangement specifying the extent to which the transfer can be used for that purpose (a "maximum cash certificate"), or

(b) if that would not prejudice the Scheme's Approval

circumstances in which certificates can be disregarded

(5) The Trustees can disregard a nil cash certificate or a maximum cash certificate

(a) if Sub-rule 18(E) (Member seriously ill) or 18(F) (Trivial Pensions) applies, or

(b) they are satisfied that this would not prejudice the Scheme's Approval.

- revaluation of GMP

(E) A transferred GMP accepted by the Trustees in the circumstances referred to in section 20 of the Pension Schemes Act is subject to the following conditions

(1) Where the transferring arrangement is not a policy of insurance or annuity contract, the Trustees will increase the transferred GMP in accordance with Orders made under section 148 of the Social Security Administration Act 1992 The Trustees can decide instead to increase the transferred GMP on a basis that is consistent with regulations 65 and 66 of the Occupational Pension Schemes (Contracting-out) Regulations 1996

(2) If the transferring arrangement is a policy of insurance or annuity contract, the Trustees will increase the transferred GMP at the rate that would have applied if the transfer had not taken place The Trustees can decide instead to increase the transferred GMP in accordance with Orders made under section 148 of the Social Security Administration Act 1992

(3) The Trustees can reclaim any limited revaluation premium reclaimable under the Pension Schemes Act in respect of anyone to whom the transfer relates

- transfers including protected rights

(F) The Trustees can accept protected rights only if permitted under regulation 4 of the Protected Rights (Transfer Payments) Regulations 1996

The benefits provided in place of any protected rights relating to employment before 6 April 1997 will include Guaranteed Minimum Pensions for the transferee and his widow or widower The Guaranteed Minimum Pensions will be equal to those to which they would have been treated as being entitled by section 48 of the Pension Schemes Act if the transfer had not been made

The benefits provided in place of any protected rights relating to employment after 5 April 1997 will be of the same kind as would be provided in the Scheme for Members who are in Contracted-out Employment in respect of Service after 5 April 1997

The Trustees will increase any Guaranteed Minimum Pension provided in place of protected rights for each complete Tax Year after the period that gave rise to the protected rights in accordance with Orders made under section 148 of the Social Security Administration Act 1992

The Trustees can alternatively decide that the increases will be in accordance with section 16(2) of the Pension Schemes Act (fixed rate revaluation) as modified by regulation 6 of the Protected Rights (Transfer Payment) Regulations 1996

- transfers including Section 9(2B) Rights

(G) The Trustees can accept Section 9(2B) Rights only if permitted under the Contracting-out (Transfer and Transfer Payment) Regulations 1996

The benefits provided in place of those Section 9(2B) Rights will be of the same kind as would be provided in the Scheme for Members who are in Contracted-out Employment in respect of Service after 5 April 1997

- no offsetting of GMP revaluation

(H) If a pension provided by a transfer is greater than a transferred GMP, the Trustees will not offset the difference against any increases in that transferred GMP under (E) or (F)

- transferees not becoming contracted-out

(I) This Sub-rule applies to any person who has a transferred GMP (except one arising from a personal pension scheme) but who does not (except for the transferred GMP) enter Contracted-out Employment under the Scheme

The amounts, dates for payment and conditions attaching to payment of the transferred GMP will comply in all respects with those provisions of Schedule 1 to the Contracting-out (Transfer and Transfer Payment) Regulations 1996 that are relevant to the particular transfer

- transfers from YMC Plan

(J) The Trustees, with the consent of the Principal Employer, accepted a transfer of assets from the YMC Plan on the terms set out in (A) to (I) The benefits for YMC Members who joined the Scheme o 1 September 2002 are set out in the Appendix to these Rules

In consideration of the receipt of the transfer value, the Trustees, the Principal Employer and Sea Containers Limited undertook to honour in full, or procure that they are honoured in full, on any subsequent wind up of the Scheme, the benefits set out in the Appendix for a period of 5 years from 1 September 2002. In addition, the Trustees, the Principal Employer and Sea Containers Limited undertook to make appropriate arrangements, either through the Scheme or otherwise, should the Scheme terminate within 5 years of 1 September 2002, to honour the future accrual of those YMC Members who are in the Scheme at the date of termination, for the balance of the 5 year period from 1 September 2002 or until their employment with Yorkshire Marine Containers Limited (or any successor company) ceases, whichever is the earlier

The Principal Employer undertook that it will not at any time seek to recover any surplus assets from the Scheme under Rule 63 (Winding up) until, as far as possible, any remaining transfer value (which is not required to fund YMC Members' benefits accrued or to be accrued after 1 September 2002) has been utilised to augment YMC Members' benefits to the maximum allowed by the Inland Revenue

STATUTORY TRANSFER OPTION - entitlement and exercise of option

37 (A) A Member who leaves the Scheme at least one year before Normal Retiring Date has the right given by Chapter IV of Part IV of the Pension Schemes Act ("the Statutory Transfer Option") to take the cash equivalent of part or all of his benefits under the Scheme The Statutory Transfer Option is described for convenience in this Sub-rule

A Member can exercise the Statutory Transfer Option by

(1) first applying to the Trustees for a statement of entitlement ("statement of entitlement") of the cash equivalent ("the guaranteed cash equivalent") of the benefits (other than money purchase benefits) that have accrued to or in respect of him under the Scheme, and

(2) then requiring the Trustees in writing to use the cash equivalent of any money purchase benefits and the guaranteed cash equivalent in one or more of the ways mentioned in (C) within the 3 month guarantee period described below If the Member does not do this, his right to exercise the Statutory Transfer Option will lapse until he is able to apply to the Trustees for another statement of entitlement A Member will not be able to do this until the end of the period of 12 months beginning on the date of his previous application for a statement of entitlement unless the Trustees and the Principal Employer agree otherwise

The guaranteed cash equivalent will be guaranteed for 3 months from the date by reference to which it was calculated.

- availability of option

(B) Generally a Member's Statutory Transfer Option remains available until

(1) one year before his Normal Retiring Date, or

(2) 6 months after he leaves the Scheme, if later

However, he may lose the Statutory Transfer Option earlier under the legislation.

- ways in which cash equivalent can be used

(C) A Member can require the Trustees under the Statutory Transfer Option to use his available cash equivalent in one or more of the following ways

(1) to acquire benefits under another occupational pension scheme,

(2) to acquire benefits under a personal pension scheme,

(3) to purchase one or more Buy-out Policies, or

(4) to acquire benefits under an overseas arrangement (as defined in Section 181(1) of the Pension Schemes Act) and subject to any Inland Revenue requirements

The Trustees must comply with the statutory requirements

- calculation of guaranteed cash equivalent

(D) The Trustees will calculate any cash equivalent in a way certified by the Actuary as satisfying the statutory requirements The amount of the cash equivalent is reduced in the circumstances set out in the relevant legislation.

- method of exercising option

(E) A Member can exercise his Statutory Transfer Option only in the way set out in the relevant legislation An Ex-spouse Participant can exercise her Statutory Transfer Option only if she also exercises her right to transfer her Pension Credit Rights under paragraph (7) of Sub-rule 67(D) or paragraph (2) of Sub-rule 67(D)

NON- STATUTORY TRANSFERS TO ANOTHER SCHEME

- expressions used

38 (A) In this Rule

receiving scheme means any fund, scheme or arrangement that is

(1) approved under Chapter 1 of Part XIV of the Taxes Act, or

(2) a personal pension scheme approved under Chapter IV of Part XIV of the Taxes Act, or

(3) approved for the purposes of this Rule by the Inland Revenue

Transfer Regulations means the Contracting-out (Transfer and Transfer Payment) Regulations 1996

- general

(B) The Trustees can, if the Principal Employer approves, transfer to any receiving scheme all or part of the assets of the Fund as, with the Actuary's advice, they think equitable.

If the Trustees make a transfer without the Member's consent, the circumstances of the transfer and the arrangements to be made in connection with it must comply with Regulation 12 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 and with the requirements of the Transfer Regulations

- information to receiving scheme

(C) (1) The Trustees will supply to a receiving scheme a statement of the amount of a Member's Contributions included in any transfers under this Rule

(2) The Trustees will, if requested by the administrators of a receiving scheme other than a personal pension scheme, supply a certificate for a Class B or C Member showing the maximum lump sum retirement benefits payable from the transfer

(3) If the receiving scheme is a personal pension scheme, the Trustees will provide a certificate of the maximum lump sum retirement benefit payable from the transfer if

1 the person to whom the transfer relates is aged 45 or more when the transfer is made, or

2 that person has at any time within the 10 years before the date on which the right to the transfer arose, been, in respect of any employment to which any part of the transfer relates, either

A a Controlling Director as defined in Sub-rule 65(A), (Guide to Inland Revenue limitations), or

B in receipt of annual remuneration of more than the allowable maximum as defined in section 640A of the Taxes Act for the Tax Year in which the date of the transfer falls, or

3 the transfer arose directly or indirectly from an occupational pension scheme under which his normal retirement age was 45 or less

(4) In paragraphs (2) and (3) "maximum lump sum" means at the date of transfer any amount (ignoring future increases) prospectively payable to the Member under Sub-rule 18(A) or such larger amount as the Trustees decide that does not exceed the maximum permissible under Sub-rule 43(A) (Inland Revenue limitations)

(5) The Trustees will give full details of the Pension Debit and a lump sum certificate specifying the maximum permissible lump sum to the receiving scheme or arrangement if the fund underlying the benefits for a Pension Debit Member is transferred to another scheme approved under Chapter I Part XIV of the Taxes Act or a scheme approved under Chapter IV Part XIV of the Taxes Act

- benefits to be provided by receiving scheme

(D) The person for whom the transfer is being made will agree with the managers of the receiving scheme what benefits they will provide, before the Trustees make a transfer under this Sub-rule If however the transfer is without that person's consent, the Trustees will agree the benefit under the receiving scheme with its managers

- transfer of GMPs or Section 9(2B) Rights

(E) The Trustees will make a transfer that represents Guaranteed Minimum Pension or Section 9(2B) Rights only if the relevant requirements of the Transfer Regulations are satisfied.

- transfers without Member's consent

(F) The consent of a Member to a transfer under this Rule will be required only-

(1) if the transfer includes a Guaranteed Minimum Pension or Section 9(2B) Rights and the Transfer Regulations require the Member's consent, or

(2) when the transfer constitutes a complete or partial substitute for short service benefit under the Scheme in respect of the Member for the purposes of section 73 of the Pension Schemes Act, unless regulations made in accordance with that section allow the transfer without his consent.

- interaction with Statutory Transfer Option

(G) The Trustees can make a transfer under this Sub-rule with the Member's consent only to the extent that he has not exercised the Statutory Transfer Option.

- effect of transfer on Scheme benefits

(H) The Trustees can make a transfer under this Rule even though, following the transfer, one or more persons will cease to be entitled to benefits or become entitled to benefits of different amounts or on different terms

No-one will have any claim on the Fund for any benefit that ceases to be payable or is altered in any way by the transfer

The Trustees are not responsible for or required to enquire into the use and application of any assets transferred.

NON-STATUTORY BUY-OUTS

- buy-out options for

39 (A) A Member who is entitled to benefits on leaving the Scheme under Rule 17 but does not have the Statutory Transfer Option, can ask the Trustees to purchase or provide a Buy-out Policy for him instead of the benefits otherwise payable to or in respect of him under the Scheme

Members

The Trustees can also let the Member have a Buy-out Policy instead of only a part of the benefits applicable to him but only if that would not

1 prejudice the Scheme's Approval, or

2 be contrary to the contracting-out requirements of the Pension Schemes Act.

option conditions

(B) If the Trustees let a Member choose the option under (1A) the following conditions will apply

(1) An Insurance Company chosen by the Member will issue the Buy-out Policy

(2) The Member will be able to choose different benefits under the Buy-out Policy from those that would have applied to him under the Rules This option will be restricted to ensure that

(a) the pension for the Member or his or her widow or widower will not be less than the Guaranteed Minimum (if any),

(b) any other contracting-out requirements of the Pension Schemes Act are complied with, and

(c) the Scheme's Approval is not prejudiced

A Member can choose the option for different benefits even if it results in a person having no benefit, or a benefit that is smaller or subject to different conditions

(3) If they are going to purchase a Buy-out Policy, the Trustees will calculate the amount to apply as a premium for it. The Trustees will satisfy themselves that this amount is not less than the value of the benefits that had accrued to or in respect of the Member under the Scheme when the Buy-out Policy is purchased and which the Buy-out Policy will replace

(4) No person will have any right to claim against the Fund in respect of any benefit instead of which a Buy-out Policy is purchased or provided.

(5) The Trustees can require any request under this Sub-rule to be in a specified form.

RIGHTS OF EMPLOYERS RELATING TO EMPLOYEES

40 Nothing in the Scheme will restrict the right of a Participating Employer to end or alter the terms of an employee's employment.

An employee or former employee cannot use any benefit under, or other provision of, the Scheme as a basis for a claim against a Participating Employer

CLAIMS AGAINST TRUSTEES OR EMPLOYERS

41 No person will have any claim or right to any benefit except as far as the Scheme allows and in accordance with the Trust Instrument and the Rules

DEDUCTIONS FROM BENEFITS
- lien on benefits

42 (A) This Rule applies if a Participant has a monetary obligation to a Participating Employer arising out of his criminal, negligent or fraudulent act or omission.

The Trustees may, if so requested by the Participating Employer deduct an amount from the Participant's benefits These include any payable in respect of him The amount will be the amount that that Participating Employer certifies is due to it.

The Trustees will pay a Participating Employer (whose receipt will be a complete discharge) any amount deducted under this Rule that arises from an obligation to that Participating Employer or, if they so decide, apply it to reduce the contributions of that Participating Employer under Rule 12 (Employer Contributions) in the next following Scheme Year

Any deduction under this Sub-rule will not apply to any benefit or part of it that arises under the provisions of the Transfer Rules unless the Pensions Act allows it.

The Trustees will not deduct an amount from any benefit

(1) that has operated to exclude the right to, or reduce the amount of, a redundancy payment to which the person would otherwise be entitled under the Employment Rights Act, or

(2) that represents Equivalent Pension Benefits or Guaranteed Minimum Pension

If there is a dispute as to the amount of the deduction, no deduction will be made unless the monetary obligation has become enforceable under an order of a competent court or the award of an arbitrator

The amount of any deduction under this Rule will not exceed the amount of the monetary obligation or, if less, the value (calculated by the Actuary) of the person's entitlement or accrued right under the Scheme.

The Trustees will give any person to whom this Rule applies a certificate showing the amount deducted and its effect on his benefits under the Scheme

If the Trustees make a deduction under this Rule, the Participating Employer that certified the amount will indemnify the Trustees against all actions, claims, demands and expenses arising directly or indirectly from the deduction

- divorce (reduction in benefits)

(B) For the purposes of this Sub-rule and Sub-rule (C), an earmarking order (an "Earmarking Order") is an order made either

under section 23 of the Matrimonial Causes Act 1973 by virtue of one or both of sections 25B and 25C of the same Act or

under section 8(2) of the Family Law (Scotland) Act 1985 by virtue of section 12A of that Act.

If the Trustees receive a Pension Sharing Order or an Earmarking Order in respect of a Participant they will, after obtaining the Actuary's advice, reduce the Participant's benefits to comply with that order

- charging for earmarking and pension sharing

(C) The Trustees can charge a Participant or prospective Participant for supplying information in connection with divorce or complying with an Earmarking Order or a Pension Sharing Order, subject to the terms of and by any of the methods allowed by the Pensions on Divorce etc (Charging) Regulations 2000

INLAND REVENUE LIMITATIONS
- limitation of benefits

43 (A) The Trustees will treat the amounts and terms of any benefit or contribution under the Scheme as altered to satisfy the limitations in Rule 65 (Guide to Inland Revenue limitations) and, for Ex-spouse Participants, Sub-rule 67(D) (Pension Sharing on Divorce – separate provisions and terms) or any

and contributions

other limitations or restrictions that the Inland Revenue generally or specifically require or agree

- Inland Revenue requirements

(B) The Trustees will comply with any conditions or requirements of the Inland Revenue that they consider necessary to ensure that the Scheme's Approval is not prejudiced. Where appropriate they will treat the Rules as altered to give effect to those conditions or requirements

- optional limits

(C) (1) With effect from 21 December 2000, a Class B Member can choose to become a Class A Member

Unless the Trustees agree otherwise, the Member will remain a Class B Member for the purposes of paragraph (1) of Sub-rule 16(A) (Late Retirement Pension), paragraph (1)(b) of Sub-rule 17(B) (Benefits on leaving the Scheme – alternative date for payment of Deferred Pension permitted dates), exception (4) in Sub-rule 18(B) (Lump Sum instead of Pension – date to be regarded as date of becoming Member) and paragraph (2)(b) of Sub-rule 65(B) (Guide to Inland Revenue limitations – Member's pension)

(2) With effect from 21 December 2000, a Class C Member can, with the Trustees' consent, choose to become a Class A Member

(3) With effect from 21 December 2000 and with the Trustees' consent, a Class A Member can choose to become a Class B Member for the purposes only of paragraph (1) of Sub-rule 16(A) (Late Retirement Pension), paragraph (1)(b) of Sub-rule 17(B) (Benefits on leaving the Scheme – alternative date for payment of Deferred Pension permitted dates), exception (4) in Sub-rule 18(B) (Lump Sum instead of Pension – date to be regarded as date of becoming Member) and paragraph 2(b) of Sub-rule 65(B) (Guide to Inland Revenue limitations – Member's pension)

(4) The following conditions apply to any choice made under this Sub-rule

(a) When the Trustees have consented to a choice, the Member cannot reverse it

(b) The Member must choose in writing in a form specified by the Trustees For a choice under (1), the form must be consistent with Part II of Schedule 6 to the Finance Act 1989

(c) The Member must choose before the earliest of the following

1 when the Trustees first pay the Member,

2 when the Trustees make a transfer payment in respect of the Member to another scheme, arrangement, policy or contract,

3 the Member's 75th birthday

but the Member can choose later if that is acceptable to the Inland Revenue

PART VI - ADMINISTRATION AND MANAGEMENT OF THE SCHEME

RESPONSIBILITY FOR ADMINISTRATION AND MANAGEMENT

44 The administrator of the Scheme will be responsible for its administration and management The administrator will be

(a) the Trustees, or

(b) any person or corporate body appointed by the Trustees under this Rule to be the administrator

The Trustees can from time to time appoint a person or corporate body resident in the United Kingdom to be the administrator and must do this if none of the Trustees is resident in the United Kingdom The Trustees can also revoke any appointment.

Any appointment or its revocation will be effective only if it is in writing and notified to the Inland Revenue.

Under section 606 of the Taxes Act or any equivalent legislation in the Republic of Ireland, the Isle of Man or the Islands of Jersey or Guernsey, if the administrator has failed to discharge his duties or to pay any tax due from him by virtue of Chapter I of Part XIV of the Taxes Act or such other legislation, those responsibilities of the administrator may pass to one or more of the Trustees or Participating Employers

APPOINTMENT AND REMOVAL OF TRUSTEES
- general

45 (A) The Principal Employer has power by deed to

(1) appoint a new Trustee or Trustees in place of any of the Trustees and

(2) appoint an additional Trustee or Trustees

The Principal Employer also has power by deed to remove from office any of the Trustees by giving the Trustee 7 days notice in writing

The Principal Employer will comply with paragraph (2) of (F) when it exercises these powers

A Trustee can resign as a Trustee by giving not less than one month's notice in writing to the Principal Employer

- corporate trustee

(B) The Principal Employer can appoint a corporate body to act as sole Trustee or jointly with one or more other Trustees. Section 37(1)(c) of the Trustee Act 1925 will not apply Accordingly, a Trustee who is replaced or removed on or subsequent to the appointment of a corporate body will be discharged even though there is not then either a trust corporation or two or more persons to act as Trustees to perform the trust

- minimum number of trustees

(C) There will not be fewer than two Trustees unless one of them is a corporate body, but the Trustees are not prohibited from acting by a temporary vacancy in their number There will not be more than seven Trustees.

- remuneration and terms of appointment

(D) A Trustee can be appointed and act on terms as to remuneration and generally in all respects as agreed between the Principal Employer and the Trustee Any Trustee to whom remuneration is paid under this Rule can retain it beneficially

- retention of benefits

(E) A Trustee, or a member (or alternate) of the board of a corporate Trustee, can retain for his own benefit any benefit to which he becomes entitled because of his, or another person's, membership of the Scheme

- Pensions Act

(F) (1) Unless every Trustee is corporate, the Principal Employer will use its powers of appointment and removal of Trustees in a way that complies with the requirements of the Pensions Act relating to member-nominated Trustees or with alternative arrangements that have been approved for the time being in accordance with the Pensions Act for the selection of Trustees

(2) If every Trustee is corporate, each Trustee undertakes to ensure that its directors are selected in a manner that complies with the requirements of the Pensions Act relating to member-nominated directors or with alternative arrangements that have been approved for the time being in accordance with the Pensions Act for the selection of its directors

TRUSTEES GENERAL POWERS OF DETERMINATION
- general

46 (A) With the exception of any powers to be exercised by a Participating Employer under the Rules, the Trustees will have power to decide all questions and matters of doubt relating to the Scheme In making their decision the Trustees can act on any advice, evidence or presumption (whether legal or not) as they think appropriate

- resolution of disputes

(B) The Trustees will make the arrangements required under section 50 of the Pensions Act for the resolution of disagreements in relation to the Scheme. For this purpose, the Trustees will treat Ex-spouse Participants as though they were Members

EXERCISE OF TRUSTEES' POWERS
- individual trustees

47 (A) Except when a corporate body is the sole Trustee, the following will apply

(1) (a) The Trustees will meet when and where they decide but not less than once a year

(b) The Trustees can make regulations for the conduct of their business, the calling of meetings, the appointment of a chairman, the recording of resolutions and all other matters connected with their work

(c) Any one or more of the Trustees can call a special meeting

(d) The quorum necessary for the transaction of business at a meeting will be a majority for the time being of the Trustees

(e) Subject to (4), all business brought before a meeting of the Trustees will be decided by a majority of the votes of the Trustees present

(2) (a) The Trustees will exercise their powers and carry out their duties under the Scheme by resolutions passed at meetings of the Trustees

(b) A Trustee will be regarded as being present at a meeting if he attends in person or by means of a conference telephone or any communication equipment that allows all those participating in the meeting to hear each other

(c) Subject to (4), a resolution signed by a majority of the Trustees will be binding and effective as if it had been passed at a Trustees' meeting The resolution can be passed by

the signing of copies, whether or not on the same date

(3) Subject to (4), a majority of the Trustees can complete any document relating to the Scheme Any document completed by a majority of the Trustees will be as valid as if they had all completed it.

(4) Notices of matters which are subject to this paragraph must comply with sub-section 32(2)(b) of the Pensions Act (which provides for notice to be given to each trustee to whom it is reasonably practicable to give notice)

- corporate trustee

(B) A copy resolution of the board of directors of a corporate trustee (or any relevant committee of it) will be sufficient evidence of the exercise of a power or trust of the Scheme other than a power exercisable by deed

- trustees' decisions

(C) A Trustee (or any director, alternate director or officer of a corporate trustee) can make decisions and exercise powers in respect of benefits relating to his membership of the Scheme or in which he has a personal interest.

TRUSTEES' LIABILITY

48 (A) In the absence of personal conscious bad faith, the Trustees (and the directors and alternate directors of any corporate Trustee) will be indemnified out of the Fund in respect of all acts, matters and things done, permitted or omitted by them in connection with the Scheme

However, no Trustee (or director of a corporate Trustee) will be indemnified under this Sub-rule in respect of

(1) a fine imposed as a penalty for a conviction,

(2) a penalty under section 10 of the Pensions Act or section 168(4) of the Pension Schemes Act, or

(3) any liability for breach of an obligation to take care or exercise skill in the performance of any investment functions if that liability cannot be excluded or restricted because of section 33 of the Pensions Act

- indemnity insurance

(B) With the agreement of the Principal Employer, the Trustees can take out an insurance policy or contract to indemnify each and all of the Trustees (and any of their employees and any of the directors, alternate directors or officers of a corporate Trustee) against

(1) any actions, proceedings, claims, costs and liabilities, other than any fine or penalty mentioned in (1), (2), or (3) of (A), arising out of any acts or omissions of any Trustee (or any of the Trustees' employees or any of the directors, alternate directors or officers of a corporate Trustee) or any person acting on behalf of the Trustees, and

(2) any loss suffered by the Fund as a result of such an act or omission

The premiums for any insurance taken out under this Sub-rule will be an expense of the Scheme under Rule 58 (Scheme Expenses)

EXERCISE OF EMPLOYER'S POWERS

49 The Trustees can call for evidence of the exercise of any power or right available to a Participating Employer under the Scheme For this purpose, the Trustees can accept a copy of a resolution of the board of directors of that Participating Employer (or any relevant committee thereof) signed by the chairman of the meeting, unless the power was exercised by deed.

To avoid doubt, any provision for consent or power given to a Participating Employer under the Scheme is not fiduciary

INVESTMENT OF FUND

- statement of investment principles

50 (A) Trustees will ensure that a written statement of the principles governing decisions about the Scheme's investments is prepared, maintained and revised from time to time as required by section 35 of the Pensions Act.

Before the statement is prepared or revised, the Trustees will take appropriate written advice and consult the Participating Employers or their representative, if required under section 35 of the Pensions Act The Trustees are not liable for any interest in excess of any interest actually paid or credited on any money invested under this Rule

- permitted investments (general)

(B) The Trustees can invest all or any part of the Fund in any way they think appropriate They can also retain, sell, realise or in any other way deal with any money, investments, property or interests in property forming part of the Fund The Trustees are not liable for any interest in excess of any interest

actually paid or credited on any money invested under this Rule

The Trustees can exercise their powers under this Sub-rule in any part of the world and whether or not

(1) involving liability, or

(2) producing income, or

(3) authorised by law for the investment of trust money

- permitted investments (specific)

(C) In addition to the general powers under this Rule, the Trustees can

(1) invest or apply all or part of the Fund in or upon the security of

(a) any stocks, shares, debentures, debenture stocks, bearer securities,

(b) units in unit trusts or mutual or managed funds,

(c) any interest in land, or

(d) any annuity policies and policies of assurance issued by any United Kingdom office or branch of any Insurance Company,

(2) underwrite, sub-underwrite or guarantee the subscription of any funds, securities, bonds, debentures, debenture stocks and stocks and shares of any kind,

(3) invest any part of the Fund in or deal in

(a) financial futures,

(b) any currency,

(c) the purchase or sale of any assets or property for receipt or delivery at a future date, or

(d) traded options,

(4) place or retain any money

(a) on deposit or in a current account with, or on loan to, any financial institution or local authority, or

(b) on deposit with, or loan to, any company or undertaking excluding any Participating Employer unless allowed by the Occupational Pension Schemes (Investment) Regulations 1996

- additional powers, land and buildings

(D) In relation to any real property or any interest in that property forming part of the Fund the Trustees can.

(1) keep any building insured against such risks and for any amounts as they think appropriate,

(2) develop, improve, enlarge, demolish or rebuild any building,

(3) sell, exchange, convey, lease, charge, agree to let or in any other way conduct the management of the property as if the Trustees were absolutely entitled to it beneficially

This power is in addition to the powers of management conferred by law on trustees holding land upon trust for sale

- additional powers, personal property

(E) The Trustees can take any steps they think proper for the insurance, repair, protection, removal, custody, carriage and general maintenance of any personal property

- participation in common investment fund

(F) Trustees can participate in a common investment fund if the Inland Revenue approves For this purpose, a common investment fund is an arrangement operated by trustees for the pooling of the assets of retirement benefit schemes approved under the Taxes Act Participation will be on the basis that, in exchange for a share in the common investment fund on its terms, all or part of the Fund will be transferred to the trustees of the common investment fund to be invested or dealt with on its terms The basis of participation can include the transfer to the common investment fund of part or all of any future contributions to the Scheme

Following the transfer, the Trustees will have no responsibility for the safe keeping or investment of the assets transferred nor will they be liable for any loss arising However, this does not absolve the Trustees from their duty of care as to their initial and continued participation in the common investment fund

- indemnity by Trustees in connection with investments

(G) The Trustees can give any indemnity in connection with the exercise of their powers under this Rule and can bind the Fund to give effect to that indemnity

- fund manager

(H) The Trustees will appoint in writing a fund manager with appropriate knowledge and experience to make all or some of the investment decisions in relation to the Fund where this is required under section 47 of the Pensions Act. They can also do so in any other case Any appointment will be made on terms as to duration of appointment, duties, liabilities and remuneration as the Trustees decide The Trustees can, subject to the terms of any agreement with a fund manager, end any appointment

The Trustees can authorise the fund manager conditionally or unconditionally

(1) to exercise all or any of their powers under (B) to (E), and

(2) to delegate and authorise the sub-delegation of any power or discretion given to that fund manager

Any investments of the Fund can be made in the name of or transferred or delivered to or otherwise vested in that fund manager or a corporate body acting as his nominee and can be left for any period or periods in the name or possession of or vested in that fund manager or nominee.

The Trustees will exercise their powers of appointment and termination of appointment of a fund manager and their power to delegate and authorise the sub-delegation of any power or discretion given to a fund manager in a way that complies with the requirements of the Pensions Act. The Trustees will take reasonable steps to ensure that any fund manager whom they appoint under this Sub-rule carries out his work competently and complies with the provisions of the Pensions Act relating to the need for diversification of investments and the suitability of particular investments to the Scheme

- nominee to hold investments

(I) The Trustees can appoint any corporate body to act as their nominee for the purposes of this Rule, and can revoke or vary any appointment

Any investments of the Fund can be made in the name of or transferred to the corporate body appointed who will hold them as nominee for the Trustees

The Trustees can for this purpose, enter into any agreement with the corporate body and bind the Fund to give effect to the agreement.

- employer-related investments

(J) The Trustees will carry out their duties under this Rule in a way that complies with the restrictions on investments of the Scheme's resources in employer- related investments referred to in section 40 of the Pensions Act and any related regulations.

POWER TO RAISE OR BORROW MONEY

51 The Trustees can borrow or raise money for any purpose of the Scheme on any terms and conditions they think fit.

The Trustees can charge or mortgage all or any part of the Fund for borrowing or raising money for any purpose of the Scheme.

DONATIONS AND BEQUESTS

52 The Trustees can accept donations or bequests from any person or body to be applied for the purposes of the Scheme

SCHEME BANK ACCOUNT, RECORDS AND ACCOUNTS

- bank account

53 (A) The Trustees will keep any Scheme money that they receive in a separate bank account unless one of the exemptions allowed under the Pensions Act applies

- books and records

(B) The Trustees will keep

(1) the books and records required under the Pensions Act together with any other information or data required for the proper administration of the Scheme for a period of 6 years from the end of the Scheme Year to which they relate or such longer period as the Trustees think is appropriate for the proper administration of the Scheme, and

(2) written records of their meetings (including meetings of any committee to which the Trustees have delegated powers, duties or discretions under Rule 57) where required under the Pensions Act.

- Scheme accounts

(C) The Trustees will ensure that the accounts for each Scheme Year are audited not more than seven months after the end of that Scheme Year by the auditor appointed under Sub-rule 56(A)

The auditor will audit the accounts and make and sign a report on the accounts in accordance with the Disclosure Requirements

The Trustees will make the accounts and report available to the Participating Employers

FINANCIAL INFORMATION TO EMPLOYER

54 The Trustees will obtain and make available to the Principal Employer any information about the Scheme that the Principal Employer at any time requires The Principal Employer can use the information in any way it thinks fit

ACTUARIAL INVESTIGATION AND STATEMENT

55 The Trustees will direct the Actuary to value the assets and liabilities of the Scheme and deliver a report on its financial position at intervals of not more than 3 years and at such other times as may be required under the provisions of the Pensions Act relating to the minimum funding requirement.

Each valuation report will satisfy the relevant requirements of the Pensions Act and the Disclosure Requirements

The Trustees will direct the Actuary to prepare a certificate (relating to the adequacy of contributions for the minimum funding requirement and any relevant changes since the last valuation report was prepared) when this is required under section 57 of the Pensions Act.

The Trustees will also make each valuation report or certificate available to the Participating Employers or their representatives within seven days of receiving it.

ASSISTANCE TO TRUSTEES
- appointment and removal of professional

56 (A) The Trustees will appoint an actuary to the Scheme and an individual or firm as auditor to the Scheme The actuary must be a Fellow of the Institute of Actuaries or of the Faculty of Actuaries in Scotland In addition to the auditor and actuary and any fund manager appointed under Sub-rule 50(H), the Trustees can appoint any other professional advisers (as defined in section 47(4) of the

advisers

Pensions Act) Appointments under this Sub-rule will be on terms agreed by the Trustees

- other advisers and officers

(B) The Trustees can also appoint any advisers not defined in section 47(4) of the Pensions Act and any officers and other persons they consider necessary for the proper administration and management of the Scheme, if the Principal Employer agrees The Trustees will make appointments under this Sub-rule on terms agreed with the Principal Employer The Trustees can end any appointment under this Sub-rule with the agreement of the Principal Employer

- actuarial and other advice

(C) The Trustees will consult and act on the Actuary's advice as required under the Trust Instrument or the Rules or by legislation, or when they consider it necessary or advisable so to do In relation to any other matters the Trustees can consult and act on the advice of any company, firm or individual who the Trustees and the Principal Employer consider is qualified by experience or in any other way to advise them.

DELEGATION OF TRUSTEES' POWERS

57 The Trustees can delegate all or any of their powers, duties and discretions as they think appropriate

Any delegation can be made for any period to any person or persons (whether incorporated or not) except where the delegation would not be permitted under the Pensions Act. Such persons can include one or more of the Trustees

To the extent permitted by law, the Trustees will not be responsible for any loss arising from any delegation.

Without prejudice to the above, the Trustees can authorise any person or persons (whether incorporated or not) as they think fit, to carry out the duties described in this paragraph Such persons can include one or more of the Trustees The duties will be to draw cheques on any banking account or to give receipts or discharges for any money or other property payable, transferable or deliverable to the Trustees or any of them Every receipt or discharge will be as valid and effective as if it were given by the Trustees

The Trustees can also at their sole discretion cancel any delegation made in accordance with this Rule

Written authority from the Trustees will be a sufficient protection to any debtor or other person taking any receipt or discharge above Unless the debtor or other person has received express notice of the cancellation of the Trustees' authority, he can assume that the authority is still in force.

SCHEME EXPENSES

58 Except as provided in Sub-rule 8(D) (Voluntary Contributions Fund), the Trustees will pay from the Fund

(a) all investment expenses and

(b) (except to the extent that the Principal Employer decides otherwise) all other expenses in connection with the administration and management of the Scheme including professional expenses

CHANGE OF PRINCIPAL EMPLOYER

59 Any corporation, company, firm or undertaking that, upon amalgamation, reconstruction, sale or otherwise of the previous Principal Employer may be carrying on the business thereof and any Participating Employer which in any event shall have agreed to undertake the liabilities of the Principal Employer shall become the Principal Employer under the Scheme unless this would prejudice the Scheme's Approval The consent of the previous Principal Employer will be necessary unless it has been dissolved. Any change of Principal Employer will be made by deed.

PARTICIPATION OF QUALIFYING EMPLOYERS

60 At the request of the Principal Employer, the Trustees will subject as provided below admit a Qualifying Employer to participation in the Scheme. A Qualifying Employer must enter into a covenant with the Trustees to comply with the provisions of the Scheme The agreement will be in a form specified by the Trustees The agreement of a majority of the Trustees for the time being will be sufficient for the purposes of establishing the form of the covenant above and the nature and extent of any restrictions on a Qualifying Employer's admission to be imposed by the Trustees below under this Rule

A Qualifying Employer cannot participate in the Scheme if that would prejudice the Scheme's Approval However, this will not prevent a Qualifying Employer's participation if the Principal Employer agrees and if the Inland Revenue will treat the Scheme in so far as it relates to that Qualifying Employer as a separate scheme under section 611(3) of the Taxes Act.

A Qualifying Employer's admission to the Scheme will be subject to any restrictions that the Principal Employer or the Trustees may specify In particular, but without limitation, the Trustees may refuse to admit a Qualifying Employer if such an admission would, in the opinion of the Trustees be prejudicial to the interests of the existing Members of the Scheme The Principal Employer can also make the continued participation of a Qualifying Employer subject to restrictions if it ceases to be associated in business with, or directly or indirectly controlled by, the Principal Employer

The Trustees will not operate any specified restriction in a way that

1 would reduce the amount of any benefit that accrued in respect of a Member before the date from which the participation of the Qualifying Employer was made subject to the restriction,

2 would prejudice the Scheme's Approval, or

3 is inconsistent with the contracting-out requirements of the Pension Schemes Act.

RIGHT TO INFORMATION

61 Any person who is or may become entitled to benefits under the Scheme and any independent trade union recognised to any extent for the purposes of collective bargaining in relation to Members and prospective Members is entitled to information under the Disclosure Requirements The Trustees will make this information available in a manner and on a basis that satisfies those requirements

PART VII – TERMINATION AND WIND UP

PARTICIPATING EMPLOYER STOPPING CONTRIBUTIONS

62 A Participating Employer

(a) can stop contributing in respect of all or some of its employees by giving written notice to the Trustees

(b) will stop contributing

(1) if it stops being a Qualifying Employer, from a date 12 months after it stops being a Qualifying Employer, unless the Inland Revenue has agreed that it can contribute after that date,

(2) if it stops carrying on business because of liquidation or otherwise,

(3) if it fails to observe and perform all or any of its obligations under the Scheme and the Trustees give written notice to the Participating Employer that its participation in the Scheme is to end, or

(4) if the Principal Employer gives notice in writing to the Trustees and the Participating Employer that the Participating Employer is to terminate its participation in the Scheme for the date specified in that notice

and, as soon as that happens, Member's Contributions in respect of any Members affected will stop

If a Participating Employer stops contributing and Rule 63 (Winding up) does not apply, the provisions of Rule 17 (Benefits on leaving the Scheme) will apply to each Member then in that Participating Employer's service and for whom contributions have been stopped

If the Scheme's Approval would not be prejudiced, the Trustees can transfer part of the Fund to another fund, scheme or arrangement that has approval or is approved for this purpose by the Inland Revenue The Trustees can do this only if the transfer would comply with Regulation 12 of the Occupational Pension Schemes (Preservation of Benefits) Regulations 1991

If the Principal Employer approves, the Trustees can apply part of the Fund to the purchase of annuities from one or more Insurance Companies in respect of the persons to whom the liability relates Where required by regulation 9 of the Occupational pension Schemes (Preservation of Benefits) Regulations 1991, the Trustees must be satisfied that the amount to be applied as a premium to purchase each annuity is at least equal to the value of the benefits under the scheme that the annuity will replace

The Trustees will decide on the part to be transferred, paid or applied, taking into account the Actuary's advice and the assets and liabilities of the Scheme

WINDING UP
- when

63 (A) Subject to their alternative powers under Rule 64 (Alternative powers on termination of contributions), the Trustees will wind the Scheme up if

(i) the Principal Employer gives notice under Rule 62 (Participating Employer stopping contributions) to stop contributing, or

(ii) the Trustees consider that the Principal Employer has failed to comply with any provisions of the Scheme that apply to it as Principal Employer and fails, within a period that the Trustees specify in a written notice to the Principal Employer, to comply with the action required to remedy the position as decided by the Trustees after consulting the Actuary, or

(iii) the Principal Employer becomes insolvent and an insolvency practitioner or the official receiver is appointed to act for the Principal Employer or the Principal Employer ceases for any other reason (except reconstruction or amalgamation) to carry on business or ceases to exist and no other company or undertaking succeeds it for the purposes of the Scheme within a period the Trustees decide is appropriate or

(iv) it appears to the Trustees that the Scheme is insolvent or if they have received advice from the Actuary to the effect that there is a likelihood of the Scheme becoming insolvent, or

(v) if when called upon by the Trustees to pay contribution to the Fund in accordance with Rule 12 of the Rules not later than a date determined by the Trustees the Participating Employers shall fail to make such contribution or if any of the Participating Employers shall fail to observe and perform any other obligations under the Rules or in the Trust Instrument, or

(vi) the Perpetuity Period expires

- expression used

(B) In this Rule, **winding up regulations** mean the Occupational Pension Schemes (Winding up) Regulations 1996

- benefits

(C) If the Scheme is wound up no person will be entitled to any benefit under the Scheme other than under this Rule or Rule 64 (Alternative powers on termination of contributions) Nevertheless, any option that would have been available if the Scheme was not winding up, will be available under this Rule to the extent that the Trustees consider that it is practicable

- preferential liabilities on wind up

(D) The Trustees will apply the Fund to meet the costs, charges and expenses of winding up that they cannot recover from the Participating Employers. The Trustees will apply the rest of the Fund towards satisfying the Scheme's liabilities in respect of pension and other benefits in the way and to the extent required by section 73(1) to (3) of the Pensions Act as modified by the winding up regulations, including the provisions for money purchase benefits

- remaining balance

(E) The Trustees will apply any part of the Fund left after they have satisfied the liabilities mentioned in (D) towards satisfying the liabilities mentioned in paragraphs (1) to (3) in descending order of priority but only to the extent that these liabilities have not already been satisfied under (D)

If any balance still remains, the Trustees will deal with it under paragraphs (4) and (5)

pensioners

(1) (a) Any liability under any of the Rules for benefits already in payment or to which entitlement has arisen including any related pension benefits payable on death.

Members who have reached Normal Retiring Date but whose pension has not commenced

(b) Any liability under any of the Rules for benefits in respect of Members not included in (a) who have reached Normal Retiring Date and whose pensions under the Scheme are not in payment and any benefits payable on their subsequent death. These benefits will be calculated as if the Member had retired from Service on the date winding up began

Members who have left with Deferred Pensions

(2) (a) Any liability under any of the Rules for Deferred Pensions for Members who left the Scheme and any benefits payable on their later death

Members in Service

(b) Any liability under any of the Rules for Deferred Pensions for Members in the service of a

before Normal Retiring Date

Participating Employer who are not included in (a) and have not reached their Normal Retiring Date, plus any benefits payable on their later death

The Trustees will calculate the Deferred Pensions and any benefits payable on later death as though the Member left the Scheme as a Qualifying Member at the date winding up began.

other persons

(3) Any liability under any of the Rules for benefits for any other persons who are or will be entitled to benefits under the Scheme calculated, if they are in Service, as though they had left Service at the date winding up began.

application of surplus assets

(4) The Trustees will use one half of the Fund left after making provision for the benefits above to augment in their sole discretions all or any of the benefits set out above in this Sub-rule E, other than Pension Credit Benefits or Pension Credit Rights

refund of residual surplus to employers

(5) The Trustees will pay the balance of the Fund after they have exercised their power under paragraph (4) to the Participating Employers in any proportions the Trustees decide which would not prejudice the Scheme's Approval but only if the requirements of section 76 of the Pensions Act and any other requirements prescribed under the Pensions Act have been satisfied.

The amounts of the liabilities mentioned in paragraphs (1) to (3) will be the cost, as the Trustees decide on the Actuary's advice, of securing the benefits mentioned in these paragraphs by means of insurance contracts on terms and conditions that are as near as is practical to those that would have applied under the Scheme

- offsetting benefits under one paragraph against benefits under another

(F) In calculating the extent to which a liability arises in respect of a person under (D) or (E), the Trustees will take account of any liability in respect of the same person under any preceding provision of this Rule.

- order of priority of benefits

(G) Liabilities under each sub-paragraph within paragraph (1) of (E) will have equal priority with each other and liabilities under each sub-paragraph within paragraph (2) of (E) will have equal priority with each other

If there are sufficient assets to satisfy some but not all of the liabilities given priority under (D) or (E), the Trustees will satisfy the liabilities in the specified order of priority as far as possible They will then satisfy liabilities affected by the deficiency in proportion

To achieve equality of treatment among persons to whom paragraph (2) of (E) applies, the Trustees can satisfy the liabilities in (a) and (b) of that paragraph in any order and to such extent as the Trustees decide on the Actuary's advice

- date when Scheme begins to be wound up

(H) For the purposes of this Rule, the Trustees will decide in accordance with the winding up regulations the date on which the Scheme begins to wind up

- ways in which liabilities can be satisfied

(I) The Trustees can satisfy the liabilities mentioned in this Rule in one or more of the following ways

(1) When there is a liability for a lump sum (except to the extent that the Trustees have decided to apply all or any of the sum to provide a pension), by paying the sum in accordance with the Rule under which it would have been payable if the Scheme had not been winding up

(2) By the purchase of annuities that satisfy the requirements of section 74 of the Pensions Act from one or more insurance companies (as defined in section 659B of the Taxes Act) that are willing to accept payment from the Trustees in respect of the persons to whom the liability relates

(3) By making a transfer under Rule 38 (Non-statutory transfers to another scheme) to another fund, scheme or arrangement that satisfies the requirements of section 74 of the Pensions Act of such part of the Fund as the Trustees decide on the Actuary's advice

(4) By subscribing to other pension arrangements that satisfy the requirements of section 74 of the Pensions Act

For the purpose of (3), the provisions of Rule 38 (Non-statutory transfers to another scheme) requiring the Principal Employer's approval to a transfer do not apply

Any liability to or in respect of a Member will be discharged if it is satisfied in one or more of the above ways.

- alternative lump sum in certain circumstances

(J) If any pension for which there is a liability under this Rule would be a Trivial Pension or a Member is in exceptional circumstances of serious ill health and his pension had not begun, the Trustees can, instead of satisfying the liability for that pension in one of the ways mentioned in (1), convert the pension into a lump sum

The Trustees can also convert any benefits payable on that person's death into a lump sum if they think it appropriate

The Trustees will calculate the lump sum in a way that the Actuary has confirmed is reasonable They will deduct tax under Rule 27 before paying it.

If a Member is in serious ill health, this Sub-rule will not apply to the Member's, or his widow's or widower's, Guaranteed Minimum

A person will cease to be entitled to any pension in respect of which the lump sum has been paid

- continuation of death benefits

(K) When the Scheme is to be wound up, the Trustees can, if a Participating Employer asks them, continue to provide benefits on the death of those Members whom it employs. The amount and type of any benefit under this sub-rule and the period for which it will be provided will be as agreed between the Participating Employer and the Trustees, but only if the Scheme's Approval will not be prejudiced.

ALTERNATIVE POWERS ON TERMINATION OF CONTRIBUTIONS

- power to defer winding up

64 (A) Instead of winding up the Scheme under Rule 63, the Trustees can continue the Scheme but not after the end of the Perpetuity Period.

If the Trustees decide to continue the Scheme, the following conditions will apply-

(1) Continuing the Scheme will be subject to any conditions that the Trustees decide

(2) Benefits will continue to be paid but no further benefits will accrue in respect of any period after the Scheme would have begun to wind up in accordance with Rule 63 if the Trustees had not decided to continue it under this Rule except to the extent required by law or decided by the Trustees

(3) If contributions to the Scheme have not already stopped under Rule 62, the Trustees can decide that no further contributions will be paid to the Scheme

(4) The Trustees can reduce or discontinue benefits payable on death

(5) The Trustees will continue the Scheme only if it is consistent with the contracting out requirements of the Pension Schemes Act and it would not prejudice the Scheme's Approval

- transfers to another scheme

(B) The Trustees can decide to transfer all or part of the assets of the Fund under Rule 38 (Non-statutory transfers to another scheme) instead of satisfying the liability for benefits for any person or persons under Rule 63

The provisions of Rule 38 will apply to a transfer under this Sub-rule except that the Principal Employer's approval will not be required The Trustees will decide on the Actuary's advice what proportion of the Fund's assets to transfer

GUIDE TO INLAND REVENUE LIMITATIONS
- expressions used

65 (A) For the purpose of this Rule, the following terms have the meanings given to them and the term "Member" where appropriate, includes a Life Assurance Member

Aggregate Retirement Benefit means the aggregate of

(1) the Member's pension under the Scheme and any Associated Scheme including any amount surrendered to provide a pension for a Dependant, and

(2) the pension equivalent of the Member's Lump Sum Retirement Benefit.

A Pension Debit Member's Aggregate Retirement Benefit will be calculated as above and then reduced by the sum of the Negative Deferred Pension in this Scheme, the negative deferred pension in any Associated Scheme and, in the case of a Class A Member, the negative deferred pension in any Connected Scheme.

Associated Employer An employer is associated with another employer if one is controlled by the other, or both are controlled by a third party **Control** has the meaning in section 840 of the Taxes Act or, in the case of a close company, section 416 of that Act

Associated Scheme means any Relevant Scheme providing benefits in respect of Relevant Employment.

Class A Member means

(a) any Member who joined the Scheme on or after 1st June 1989, other than a Member who is a Class B or Class C Member because of paragraph (b) of the definition of Class B Member or paragraph (b) of the definition of Class C Member, or

(b) any Member who was previously a Class B or C Member but who is treated as a Class A Member because of an election under Sub-rule 43(C) (Inland Revenue limitations - optional limits) except that a Class B Member who makes such an election can remain a Class B

Member to the limited extent referred to in paragraph (1) of Sub-rule 43(C)

Class B Member means

(a) any Member who joined the Scheme on or after 17th March 1987 and before 1st June 1989, or

(b) any Member for whom paragraphs 20 and 22 to 26 of Schedule 6 to the Finance Act 1989 do not apply because of regulations made under paragraph 19(2) of that Schedule or who is treated in the same manner in accordance with conditions prescribed by the Inland Revenue,

but who in either case is not a Member who is a Class C Member or treated as a Class A Member because of an election under Sub-rule 43(C) (Inland Revenue limitations - optional limits) except that such a Member can remain a Class B Member to the limited extent referred to in paragraph (1) of Sub-rule 43(C),

(c) any Member who is a Class B Member to the limited extent referred to in paragraph (3) of Sub-rule 43(C) (Inland Revenue limitations - optional limits) following an election under that paragraph.

Class C Member means

(a) any Member who joined the Scheme before 17 March 1987, or

(b) any Member for whom paragraphs 2, 3, 4 and 6 of Schedule 23 to the Taxes Act do not apply because of regulations made under paragraph 1(2) of that Schedule or who is treated in the same manner in accordance with conditions prescribed by the Inland Revenue

but who, in either case, is not a Member who is treated as a Class A Member because of an election under Sub-rule 43(C) (Inland Revenue limitations)

Connected Scheme means any Relevant Scheme that is connected with the Scheme in relation to the Member For this purpose a Relevant Scheme is connected with the Scheme if

(1) there is a period during which the Member has been the employee of two Associated Employers, and

(2) that period counts under both schemes as a period in respect of which benefits are payable, and

(3) the period counts under one scheme for service with one employer and under the other for service with the other employer

Controlling Director means a Member who, at any time after 16 March 1987 and in the last 10 years before the Relevant Date has been a director within the definitions of a director in both section 612 of the Taxes Act and paragraph (b) of section 417(5) of that Act in relation to the Participating Employer

Final Remuneration means

(1) In relation to the retirement, leaving Relevant Service or death of a Member the greater of

(a) the highest remuneration for any period of 12 months in the 5 years preceding the Relevant Date being the aggregate of

A the basic pay for the year in question, and

B the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year, of any Fluctuating Emoluments, but Fluctuating Emoluments of a year other than the basic pay year can be increased in proportion to any increase in the Index of Retail Prices from the last day of that year up to the last day of the basic pay year Remuneration received after the Relevant Date on which the tax liability has been determined will be treated as a Fluctuating Emolument (if it was earned or qualified for before the Relevant Date) In these circumstances it can be included if the yearly average of 3 or more consecutive years begins no later than the commencement of the basic pay year, and

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

When a Member receives these emoluments after the Relevant Date but earned or qualified for them before that date, the Trustees will include them only if the yearly average of 3 or more consecutive years begins no later than the commencement of the year ending with the Relevant Date

(2) For the purposes of (1) of this definition.

(a) except for the purposes of calculating the maximum lump sum death benefit in accordance with (D), remuneration and total emoluments will not include either

A any amounts that arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares except any amount that is assessed on the Member under Schedule E of the Taxes Act in respect of any acquisition or disposal, interest or right that arose from an entitlement or option created or granted before 17 March 1987, or

B any amount in respect of which tax is chargeable by virtue of section 148 of the Taxes Act,

(b) except for the purposes of calculating the maximum lump sum death benefit in accordance with (D), the Final Remuneration of a Controlling Director will be the amount ascertained in accordance with sub-paragraph (1)(b) and sub-paragraph (1)(a) will not apply,

(c) Subject to sub-paragraph (d) in the case of a Member whose remuneration received from the Participating Employers in any year after 5th April 1987 has exceeded £100,000 (or such other sum as may be prescribed in an order made by the Treasury), sub-paragraph 1(a) will not apply and the amount under sub-paragraph 1(b) will be increased to the lesser of £100,000 (where it would otherwise fall below that figure) and the amount which would otherwise have been calculated under sub-paragraph (1)(a),

(d) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's remuneration (as calculated in sub-paragraph (1)(a)) or total emoluments (for the purposes of sub-paragraph (1)(b)) of

any year can be increased in proportion to any increase in the Index of Retail Prices from the last day of that year up to the Relevant Date However in the case of a Class C Member, this sub-paragraph does not apply to the calculation of the maximum Lump Sum Retirement Benefit in accordance with (C) unless the Member's Aggregate Retirement Benefit is similarly increased beyond the maximum amount which could have been paid but for this paragraph and the proviso to sub-paragraph (1)(a)(B) and then only to the same proportionate extent,

(e) for the purpose of calculating the maximum Lump Sum Retirement Benefit for a Class B Member in accordance with (C), Final Remuneration will not in any event exceed £100,000 or such other sum as the Treasury specifies in an order,

(f) remuneration and total emoluments will include any amounts on which the Member has been assessed under Schedule E of the Taxes Act in respect of any benefits in kind other than any amount excluded by sub-paragraph (a),

(g) in the case of a Class A Member, Final Remuneration will not exceed the Earnings Cap,

(h) for an employee who remains, or is treated as remaining, in Service but by reason of incapacity receives a reduced remuneration for more than 10 years up to the Relevant Date, the Trustees will calculate Final Remuneration under sub-paragraph (1)(a) or (b) at the date of cessation of normal pay and increase it in accordance with the Index of Retail Prices in the manner referred to in sub-paragraph (2)(d),

(i) the Trustees will classify the total amount of any profit related pay (whether relieved from income tax or not) as remuneration and treat it as a Fluctuating Emolument,

(j) an early retirement pension in payment from a Participating Employer cannot be included in Final Remuneration,

(k) for the purposes of providing immediate benefits at the Relevant Date, the Trustees will calculate Final Remuneration on the appropriate basis using remuneration under Case 1 or 11 of Schedule E on which tax liability has not been determined On determination of this liability, the Trustees will recalculate Final Remuneration If this results in a lower Final

Remuneration, the Trustees will reduce benefits in payment if necessary to ensure that they do not exceed the maximum approvable based on the lower Final Remuneration If Final Remuneration is greater, the Trustees will augment benefits in payment but such augmentation must take the form of a non- commutable pension.

When the Trustees are not providing immediate benefits or when they are making a transfer payment in respect of accrued pension benefits, they will calculate Final Remuneration using only remuneration on which tax liability has been determined.

Fluctuating Emoluments means the part of an employee's earnings that is not paid on a fixed basis and is additional to the basic wage or salary They include overtime, commission, bonuses or benefits in kind and profit related pay Directors' fees can rank as fluctuating emoluments according to the basis on which they are voted.

Lump Sum Retirement Benefit means the total value of all retirement benefits payable in any form other than pension under this and any Associated Schemes

Negative Deferred Pension means the amount by which a Member's pension or deferred pension under the Scheme which arose or arises from Service with the Participating Employers, is reduced at the Relevant Date by section 31 of the Welfare Act, following a Pension Sharing Order For this purpose, Service with the Participating Employers includes all periods of service with other employers which have been treated as if they were Service with the Participating Employers where a transfer payment has been made to the Scheme in respect of that other service

Pension Debit Member means any Member except that one, whose pension has not started on or before the date on which the marriage was dissolved or annulled, is a Pension Debit Member only if either·

(i) he is a controlling director of a company which is his employer if he is a director of the company to whom paragraph (b) of section 417(5) of the Taxes Act applies either at the date on which the marriage was dissolved or annulled, or at any time within the period of 10 years before that date or,

(ii) his earnings at the date at which his marriage was dissolved or annulled exceeded ¼ of the Earnings Cap for the year of assessment in which the dissolution or annulment occurred Earnings for these purposes shall be taken to be the total emoluments -

(a) which were paid to the Member in respect of Pensionable Service during the year of assessment before the year of assessment in which the marriage was dissolved or annulled, and

(b) from which tax was deducted in accordance with the Income Tax (Employments) Regulations 1993

Relevant Date means the date of a Member's retirement from Service, leaving Relevant Service or death as the case may be.

Relevant Employment means employment with a Participating Employer or an Associated Employer or, except in relation to a Class A Member who is a Controlling Director of either employer, an employer who is associated with a Participating Employer only through a permanent community of interest

Relevant Scheme means any other scheme approved or seeking approval under Chapter I of Part XIV of the Taxes Act and, in respect of a Class A Member who is a Controlling Director, includes any retirement annuity contract or trust scheme approved under Chapter III of Part XIV or any personal pension scheme as approved under Chapter IV of Part XIV of the Taxes Act insofar as it provides benefits secured by contributions in respect of Relevant Employment.

Relevant Service has the meaning given to pensionable service by section 70 of the Pension Schemes Act

Remuneration in relation to any year means the aggregate of the total emoluments for the year in question from a Participating Employer but excluding

A any amounts that arise from the acquisition or disposal of shares or an interest in shares or from a right to acquire shares,

B any amount in respect of which tax is chargeable by virtue of section 148 of the Taxes Act,

C for a Class A Member any emoluments in excess of the Earnings Cap

Retained Death Benefits means any lump sum benefit (other than a refund of his own contributions and interest on them) payable on the Member's death in respect of previous employment or periods of self-employment (whether alone or in partnership) and arising from

(a) retirement benefits schemes approved or seeking approval under Chapter I of Part XIV of the Taxes Act or relevant statutory schemes as defined in section 611A of that Act,

(b) funds to which section 608 of the Taxes Act applies,

(c) retirement benefits schemes that the Inland Revenue have accepted as "corresponding" in respect of a claim made on behalf of the Member for the purposes of section 596(2)(b) of the Taxes Act,

(d) any lump sum life assurance benefit under retirement annuity contracts or trust schemes approved under Chapter III of Part XIV of the Taxes Act,

(e) term life provisions under personal pension schemes approved under Chapter IV of Part XIV of the Taxes Act,

(f) transfer payments from overseas schemes held in a type of arrangement referred to in (a), (d) or (e)

The Trustees will also include in Retained Death Benefits any lump sum of the type referred to in (d) or (e) which is payable in respect of the current employment.

If the Retained Death Benefits do not exceed £2,500 in total, the Trustees will ignore them

If the Member is not a Controlling Director and his total remuneration for the twelve months beginning on the date of joining the Scheme (including for this purpose any other Relevant Scheme

providing benefits in respect of service with the Participating Employer) is not more than one-quarter of the Earnings Cap in force at the date of joining the Scheme, the Trustees will not class benefits arising from the types of arrangements referred to in (a) to (e) (other than those transferred into the Scheme) as Retained Death Benefits

- Member's pension

(B) The Member's Aggregate Retirement Benefit will not exceed

Class A Members

(1) for a Class A Member

(a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Retiring Date on grounds of Incapacity, a pension of 1/60th of Final Remuneration for each year of Relevant Employment (not exceeding 40 years) or such greater amount as will not prejudice the Scheme's Approval,

(b) on retirement at any time before Normal Retiring Date on grounds of Incapacity, a pension of the amount that could have been provided at Normal Retiring Date in accordance with (1)(a), Final Remuneration being computed as at the actual date of retirement,

(c) on leaving Relevant Service before attaining age 75, a pension of 1/60th of Final Remuneration for each year of Relevant Employment before leaving Relevant Service (not exceeding 40 years) or such greater amount as will not prejudice the Scheme's Approval This amount will increase at the rate of 5% a year compound or, if greater, in proportion to any increase in the Index of Retail Prices between the date of termination of Relevant Service and the date on which the pension begins to be payable The Trustees will make any further increase necessary to comply with Social Security legislation

(d) the Trustees will further restrict benefits for a Class A Member to ensure that his total retirement benefit from the Scheme and from an Associated Scheme or Connected Scheme does not exceed a pension of 1/30th of the Earnings Cap for each year of service, subject to a maximum of 20/30ths For the purpose of this limit, service is the aggregate of Relevant Employment and any period of service that gives rise to benefits under a Connected Scheme provided that no period is to be counted more than once,

(e) for the purpose of calculating the Aggregate Retirement Benefit or the total retirement benefit in (a) to (d), the pension equivalent of any Lump Sum Retirement Benefit is one twelfth of its total cash value

Class B and C Members

(2) for a Class B Member and a Class C Member,

(a) on retirement at or before Normal Retiring Date, a pension of 1/60th of Final Remuneration for each year of Relevant Employment (not exceeding 40 years) or such greater amount as will not prejudice the Scheme's Approval. When retirement is due to Incapacity, Relevant Employment will include the period between the date of retirement and Normal Retiring Date,

(b) on retirement after Normal Retiring Date, a pension of the greatest of.

A the amount calculated in accordance with (2)(a) on the basis that the actual date of retirement was the Member's Normal Retiring Date,

B the amount that the Trustees could have provided at Normal Retiring Date in accordance with (2)(a) increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index of Retail Prices during that period, and

C where the Member's total Relevant Employment has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Relevant Employment before Normal Retiring Date (not exceeding 40 years) and of a further 1/60th of Final Remuneration for each year of Relevant Employment after Normal Retiring Date, with an overall maximum of 45 reckonable years,

Final Remuneration being calculated for the purposes of sub-paragraphs A. and C As at the actual date of retirement, but subject always to (G),

(c) on leaving Relevant Service before Normal Retiring Date, a pension of 1/60th of Final Remuneration for each year of Relevant Employment before leaving Relevant Service (not exceeding 40 years) or of such greater amount as will not prejudice the Scheme's