REXAM PENSION PLAN

RULES

adopted by a deed dated 18 December 2007
as altered by deeds dated 14 February 2008, 8 April 2008, 26 June 2008, 8 October 2008, 30 March 2009, 13 August 2009, 31 March 2010, 1 April 2011, 29 March 2012 and 26 July 2012

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THIS DEED is made on 18 December 2007

BETWEEN:

(1) REXAM PLC (company number 191285) whose registered office is at Third Floor, 4 Millbank, London, SW1P 3XR (the **Principal Employer**); and

(2) REXAM PENSION TRUSTEES LIMITED (company number 1015907) whose registered office is at Third Floor, 4 Millbank, London, SW1P 3XR (the **Trustees**).

BACKGROUND:

(A) Rexam Pension Trustees Limited is the present trustee of the Rexam Pension Plan, the current provisions of which are set out in a definitive trust deed dated 27 March 2000 made between the Principal Employer and the Trustees and the attached rules as amended by deeds dated 15 March 2002, 4 April 2002, 24 September 2003, 24 August 2004, 25 May 2005, 29 September 2005, 4 April 2006, 6 April 2006 and 1 October 2007 (the **Current Rules**).

(B) By Rule 22 of Section A of the Current Rules, the Trustees may, with the agreement of the Principal Employer, amend or add to the Current Rules. The Trustees, with the agreement of the Principal Employer, wish to amend the Current Rules.

(C) The Trustees are satisfied that the alterations made by this deed are not ones to which the subsisting rights provisions of section 67 of the Pensions Act 1995 apply.

OPERATIVE PROVISIONS

1. In this deed, the **Rules** means this deed and the rules annexed to this deed. Any word or expression used in this deed which is not defined in this deed but is defined in the Rules has the meaning given to it in the Rules.

2. The Trustees with the consent of the Principal Employer declare that, with effect on and from 1 January 2008, this deed and the Rules replace the Current Rules except as mentioned in Rule A2 . The Current Rules are altered accordingly.

3. The entitlements of Pre-2008 Beneficiaries under the Rules are governed by Rule A2.

4. The provisions relating to the distribution of a lump sum payable on the death of a Beneficiary before 1 January 2008 are those contained in the Current Rules.

5. The Trustees hold the Plan's assets on the irrevocable trusts set out in, and must administer and manage the Plan in accordance with, the Rules.

6. The alterations made by this deed will take effect to the extent that section 67 of the Pensions 1995 Act would not otherwise invalidate them. If any alteration is invalidated under that section, the alterations will have the effect in all other respects.

AS EVIDENCE of their acceptance of the terms of this deed, the parties have executed and delivered it as a deed.

THE COMMON SEAL of **REXAM PLC** was affixed to this deed in the presence of:	)))

……………………………….

director

……………………………….

director/secretary

THE COMMON SEAL of **REXAM PENSION TRUSTEES LIMITED** was affixed to this deed in the presence of:	) **)**))

……………………………….

director

………………………………….

director/secretary

REXAM PENSION PLAN

A. INTERPRETATION AND STRUCTURE OF RULES

A1 Construction

In the Rules:

(1) A reference to an Act includes any regulations made under that Act. A reference to legislation includes (a) any modification or re-enactment for the time being in force; (b) any corresponding provision of any previous legislation; and (c) where the legislation applies to part only of the United Kingdom, any corresponding provision of any legislation applying to any other part of the United Kingdom.

(2) Where the context does not otherwise require, the masculine includes the feminine, the singular includes the plural and vice versa.

(3) The headings do not affect the interpretation.

(4) References to notification mean written notification.

A2 Entitlements under previous rules of the Plan

(1) Each Pre-2008 Beneficiary is entitled or, as the case may be, prospectively or contingently entitled, under the Rules to the same entitlement as under the Pre-2008 Rules and accordingly each Pre-2008 Beneficiary is a Beneficiary. Unless a Pre-2008 Beneficiary is re-admitted to membership of the Plan in accordance with the Rules, he is not a Member except as stated in this Rule and except for the purposes of Rules B8 (pension commencement lump sum) to the extent stated in sub-rule (6), B15, B16 and B17 (other lump sums) to the extent stated in Rule B20, E6 (winding up) and section F (pension sharing on divorce).

(2) A Pre-2008 Beneficiary will not become entitled, or prospectively or contingently entitled, to any benefit other than as referred to in sub-rule (1) under or as a result of the adoption of the Rules.

(3) The provisions of the rules of the Plan in force on 5 April 2006 prohibiting any payments to or in respect of a beneficiary which was not authorised because of the application of Pre-6 April Tax Approval continue to apply except as provided in the deed altering those rules dated 6 April 2006.

(4) This sub-rule applies to a Pre-2008 Beneficiary who had a deferred pension entitlement under the Plan on 5 April 2000, or under the Nacanco 45 Pension Plan or the Nacanco (1988) Pension Plan on 6 April 2003. If on the death of such a Beneficiary after 30 June 2008 at a time when he still has a deferred pension entitlement, a lump sum is, under the previous rules of the Plan or the Nacanco 45 Pension Plan or the Nacanco (1988) Pension Plan applicable to him, payable equal to the amount of all or any of his contributions paid to the pension scheme (with or without interest), then notwithstanding any provision of those rules, the payment will be distributed among the Member's Death Benefit Beneficiaries (as defined in Rule C2) living or born after his death and/or his personal representatives, in such shares as the Trustees decide and in accordance with the provisions of Rule C2.

A3 Expressions used

In the Rules:

Accounts Date means the last day of the scheme year applied by the Trustee from time to time for the purposes of the requirement to obtain accounts and an auditor's statement in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

Actuary means the actuary for the time being appointed as actuary to the Plan.

Associated Employer means any employer participating in the Plan (except the Principal Employer).

Authorised Payment means a payment which is authorised under section 164 (authorised member payments) or section 175 (authorised employer payments) of the Finance Act.

AVC Account means, in respect of a Member, the account referred to in Rule B14.

Beneficiary means any person entitled, or prospectively or contingently entitled, to a benefit from the Plan.

Benefit Crystallisation Event has the meaning given by section 216 of the Finance Act and references to **crystallisation**, **crystallised** and **uncrystallised** have the corresponding meanings.

Capped Member means a Beneficiary to whom the Earnings Cap applied under the rules of the Plan in force on 5 April 2006.

Cash Equivalent and **Cash Transfer Sum** have the meanings given in Chapter IV and 5 of Part IV of the Pension Schemes Act 1993 and references to a right to a Cash Equivalent or a Cash Transfer Sum have the corresponding meanings.

Child means, in relation to a Member, his legitimate, adopted or legitimated child who –

(a) is under age 18;

(b) has attained age 18 but is under age 23 and receiving full-time education or full-time vocational training which (in either case) is approved by the Trustees; or

(c) has attained age 18 and was, in the Trustees' opinion, at the date of the Member's death dependent on him because of physical or mental impairment.

However:

(i) a child who falls within (b) or (c) above is included as a Child only if the Trustees decide to include him;

(ii) any decision to include a child under (c) above will be subject to the ability of the Trustees to terminate, reduce or suspend the pension at any time if the child is not able to satisfy the Trustees that he continues to suffer the same condition and degree of physical or mental impairment as applied at the date when the pension (or continued pension) was granted;

(iii) any child who is not born before, or en ventre sa mere at, the Member's death is excluded as a Child;

(iv) if a person falls within (a), (b) or (c) above and at the date of the Member’s death he was, in the Trustees’ opinion, financially dependent on the Member to a substantial extent or was dependent on the Member due to physical or mental impairment and, in either case, in the

Trustees' opinion, he was living with the Member at the date of the Member's death and the Member stood in loco parentis to him, he may, at the Trustees' discretion, be included as a Child notwithstanding that he is not the Member's legitimate, adopted or legitimated child.

A child may, if the Principal Employer agrees, be included as a Child if he does not satisfy (a) or (b) above but qualifies as a dependant under the Taxation of Pension Schemes (Transitional Provisions) Order 2006.

Civil Partner means a Member's civil partner (within the meaning of the Civil Partnership Act 2004) who, at the date of the Member's death, in the Trustees' opinion is living with him. The Trustees may determine that a Member's civil partner qualifies as a Civil Partner even if he or she was not living with the Member at the date of his death.

Contracted-out and Contracted-out Employment have the same meanings as the Pension Schemes Act 1993.

Contracting–out Rules means the applicable provisions of Appendix 1 and the contracting-out requirements of the Pensions Acts.

Deferment Period in relation to a Member who has a deferred pension entitlement under the Rules means the period starting on the termination of his Pensionable Employment and ending at Normal Pension Age or any earlier date on which the deferment of the pension ceases for any reason including by reason of the pension coming into payment or the Member's death.

Dependant means, in relation to a Member, his Child or any natural person who, immediately before the Member's death, in the Trustees' opinion was financially dependent on the Member to a substantial extent. The Trustees may include as a Dependant a person who in their opinion had a financial relationship with the Member which was one of mutual dependence in particular (but without limitation) because the person's standard of living was maintained as a result of their joint incomes.

Earnings Cap means the permitted maximum from time to time in accordance with section 590C of the Income and Corporation Taxes Act 1988 and (notwithstanding the repeal of that section) references in the Rules to the Earnings Cap apply to a Pre-6 April 2006 Beneficiary, as defined in the rules of the Plan in force on 5 April 2006, in relation to the period before 6 April 2006 (as applied by the relevant rule in the rules of the Plan in force on 5 April 2006).

Employers means the Principal Employer and the Associated Employers. In relation to any employee or former employee or a person claiming through him, **Employer** means the Employer by whom, at the relevant time, he is or was last employed.

Employment means employment with an Employer. If a Member transfers from one Employer to another, his Employment is regarded as continuous.

Executive Member means a Member who has been designated by the Principal Employer as an Executive Member.

Finance Act means the Finance Act 2004.

Fixed-term contract is as defined in Regulation 1(2) of the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002.

Fixed-term employee means a person who is employed by an Employer on a fixed-term contract.

Former Nacanco (1988) Pension Plan Member means a Member who on 6 April 2003 was an active member of the Nacanco (1988) Pension Plan and joined the Plan on 7 April 2003.

Former Nacanco 45 Pension Plan Member means a Member who on 6 April 2003 was an active member of the Nacanco 45 Pension Plan and joined the Plan on 7 April 2003.

Former Nacanco 45 Pension Plan Executive Member means a Member who on 6 April 2003 was an active executive member of the Nacanco 45 Pension Plan and joined the Plan on 7 April 2003.

Former Red Book Member means a Member who on 5 April 2000 was an active member of the section of the Rexam Executive Benefit Plan known as the Red Book Section (whether or not he is an Executive Member).

Gross Earnings means, at any given date, a Member's gross PAYE earnings in monetary form from his Employer in each Plan Year up to and including the Plan Year which ended on 5 April 2006, excluding any earnings which the Employer has informed the Member are not to be included. The Gross Earnings of a Capped Member cannot exceed the Earnings Cap.

If for any period the Member has consented to and participates in any salary or bonus sacrifice arrangement which the Employer designates from time to time, the Member's gross PAYE earnings to be included as Gross Earnings for that period will be such amount as is (for the time being and from time to time) notified by the Employer to the Trustees as that which they would have been but for the Member's participation in the arrangement. The Trustees are entitled to accept that amount as notified by the Employer to the Trustees as conclusive evidence of the Member's Gross Earnings.

guaranteed minimum and **guaranteed minimum pension** have the same meanings as in the Pension Schemes Act 1993.

GMP Age means age 60 in the case of a woman and 65 in the case of a man.

HMRC means Her Majesty's Revenue and Customs and its predecessor The Inland Revenue.

Index means the general index of retail prices (for all items) published by the Office for National Statistics or, if that index is not published for a month, any substituted index or figures published by that office or by any replacement government appointed body.

Level has the meaning given by Rule B3.

Lump Sum Death Benefit means the benefit under Rule B9 applicable to a Member.

Member refers to a Member of the Plan. A person remains a Member for as long as any benefit is payable or prospectively or contingently payable to him.

Member's Lifetime Allowance, availability of the Member's Lifetime Allowance and **Standard Lifetime Allowance** have the meanings given in sections 218 and 219 of the Finance Act.

Minimum Pension Age in relation to a Member means:

(a) at any time up to (and including) 5 April 2010, age 50;

(b) thereafter age 55 or, if applicable, the Member's protected pension age in accordance with Part 3 of Schedule 36 to the Finance Act.

Nacanco (1988) Pension Plan means the Nacanco (1988) Pension Plan established by a deed dated 21 May 1991.

Nacanco 45 Pension Plan means the Nacanco 45 Pension Plan established by a deed dated 21 May 1991.

Non-Qualified Member means a Member who is not a Qualified Member.

Normal Pension Age means a Member's 65th birthday or, for an Executive Member, his 60^{th} or 62nd birthday as notified to him by his Employer. If a Member retires at Normal Pension Age, the previous day is his last day in Employment.

Offset means, for a Member in Levels 1 to 5, £3,510 and, for a Member in Level 6, means at any time the amount of the flat-rate basic state pension then payable to a single person (a category A retirement pension under the Social Security Contributions and Benefits Act 1992).

Pension Credit has the meaning given by section 124(1) of the Pensions Act 1995.

Pensionable Employment means a Member's last or only period of Plan membership in which he is paying contributions under Rule B2(1).

A Member's Pensionable Employment is counted in complete years and days. It ends at the earliest of his death, retirement from Employment, the date specified in Rule B7(1) and his Normal Pension Age if he has selected that it should end at Normal Pension Age in accordance with Rule B6(2)(a).

Pensionable Pay has the meaning set out below subject to any limit under Rule B23. It is calculated separately for each Plan Year.

For Plan Years up to and including the Plan Year which ended on 5 April 2006, it is a Member's Gross Earnings in the Plan Year (before the application of the Earnings Cap) reduced by the Offset. The Pensionable Pay of a Capped Member cannot exceed the Earnings Cap. In the case of a Member who joins the Plan other than on a 6 April, the Pensionable Pay for the purposes of a Member's first Plan Year is the annual equivalent of his Gross Earnings for the period between the date of joining and the following 5 April or such earlier date on which his Pensionable Employment ends.

For each subsequent Plan Year it is such of a Member's earnings as his Employer notifies him in writing are to constitute Pensionable Pay for the Plan Year reduced by the Offset. If for any period the Member has consented to and participates in any salary or bonus sacrifice arrangement which the Employer designates from time to time, such of the Member's earnings which would have been included as Pensionable Pay (in accordance with the Employer's notification) but for the sacrifice will nevertheless be included as Pensionable Pay for that period in such amount as is (for the time being and from time to time) notified by the Employer to the Trustees as the amount which they would have been but for the sacrifice. The Trustees are entitled to accept that amount as conclusive evidence of the Member's Pensionable Pay.

For former members of the PLM Scheme who joined the Plan as Members on 6 April 2000, the deduction of the Offset will not apply in any Plan Year.

For Former Nacanco (1988) Pension Plan Members, Former Nacanco 45 Pension Plan Members and Former Nacanco 45 Pension Plan Executive Members, the deduction of the Offset will not apply in any Plan Year.

Pensions Acts means the Pension Schemes Act 1993, the Pensions Act 1995, the Welfare Reform and Pensions Act 1999 and the Pensions Act 2004.

Plan means the Rexam Pension Plan established by a deed dated 30 December 1977 (then called the Bowater Employee Benefit Plans).

Plan Pension in relation to a Member means the total of his opening balance referred to in Rule B3(6) or (7) (if any) and his pension entitlements in respect of each Plan Year calculated and increased in accordance with Rule B3.

Plan Year means a period commencing on 6 April in any year and ending on 5 April in the following year.

PLM Director Member means a Member (whether or not he is an Executive Member) who on 5 April 2000 was an active member of the Redfearn plc Pension Scheme C in the Main Board Director category (referred to in the appendix to the scheme's rules).

PLM Scheme means each of the Redfearn plc Pension Scheme established by a deed dated 31 October 1985 and the Redfearn plc Pension Scheme C established by a deed dated 7 February 1978.

Policy means a policy of insurance or an annuity contract provided by an insurance company (as defined in the Finance Act). References to buying a policy include entering into an annuity contract. The policy must satisfy the requirements of applicable legislation and must contain all conditions necessary to ensure that any provision of the policy does not give rise to or constitute an Unauthorised Payment.

Pre-2008 Beneficiary means each person who under the Pre-2008 Rules on 31 December 2007:

(a) was in receipt of a pension; or

(b) had ceased to be an active Member and was entitled to a pension payment of which has not started; or

(c) was contingently entitled to a pension or other benefit on the death of another person; or

(d) was entitled or contingently entitled to a pension or other benefit by virtue of being the former spouse or civil partner of a Member who falls under paragraph (a) or (b) above.

Pre-2008 Rules means the trust deeds and rules of the Plan which were in force on 31 December 2007 or, where referred to in relation to a Pre-2008 Beneficiary, means those trust deeds and rules or any previous ones which govern his entitlement under the Plan.

Pre-6 April 2006 Tax Approval means HMRC's published practice for approval before 6 April 2006 of an exempt approved scheme under Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988 as it applied to the Plan and, if applicable to the Plan, Schedule 6 to the Finance Act 1989.

Principal Employer means Rexam PLC or any other company which is for the time being the Principal Employer under Rule E1.

Qualified Member means a Member who is entitled to short service benefit within the meaning of section 71 of the Pension Schemes Act 1993.

Qualifying Dependant means a person who qualifies as a Dependant (under the above definition) and who has been notified by the Member in writing to the Trustees as being his Dependant (subject to the opinion or the decision of the Trustees as required for that person to qualify as a Dependant).

Recognised Transfer is as defined in section 169 of the Finance Act.

Registered Scheme means a registered pension scheme as defined in section 150(2) of the Finance Act.

Rexam Executive Benefit Plan means The Rexam Executive Benefit Plan established by a deed dated 22 August 1986.

Rules means these rules (as altered from time to time) and the deed to which they are annexed.

Spouse means a Member's widow or widower who, at the date of his death, in the Trustees' opinion is living with him. The Trustees may determine that a Member's widow or widower qualifies as a Spouse even if he or she was not living with the Member at the date of his death. If a male Member is survived by two or more wives of valid polygamous marriages, the Trustees must decide which of those wives is a Spouse.

State Pension Age means pensionable age in accordance with the rules in paragraph 1 of Part 1 of Schedule 4 to the Pensions Act 1995.

Trustees means the trustees for the time being of the Plan.

Unauthorised Payment is as defined in section 160(5) of the Finance Act.

A4 Overriding rules

(1) The following have effect and override any other provision of the Rules except Rule A6 alterations:

(a) Appendix 1 to the Rules (GMP rules) which sets out the minimum benefits payable to and in respect of a Beneficiary who was in Contracted-out Employment before 6 April 1997.

(b) Appendix 2 to the Rules (Protected Rights rules) which has effect in respect of a Beneficiary in Contracted-out Employment on a money purchase basis and applies only to a pension or annuity which comes into payment after 5 April 2006 and before 6 April 2012. From 6 April 2012, the application of Appendix 2 is as set out in that Appendix.

(c) Appendix 3 to the Rules (Finance Act – limits on benefits and transitional provisions).

(2) Any payment made under the Plan must satisfy such conditions as are necessary for the payment to qualify as an Authorised Payment, unless the Trustees and the Principal Employer otherwise agree. To the extent that any payment does not qualify as an Authorised Payment, the Trustees may, with the Principal Employer's agreement, make any adjustments necessary in order for the payment to qualify as an Authorised Payment. No variation, suspension or termination of any benefit under the Plan can be made if it would cause the benefit not to be an Authorised Payment or to become an Unauthorised Payment to any extent. No Policy can be purchased in relation to a Beneficiary if its terms would be such as would give rise to an Unauthorised Payment. In this sub-rule "payment" has the same meaning as in section 161 of the Finance Act and includes a benefit provided as referred in section 173 of the Finance Act and value shifting as referred to in section 174 and 181 (as applicable).

A5 Governing law and jurisdiction

The trusts of the Plan are governed by, and the Rules are to be construed according to and take effect in accordance with, the laws of England. The Employers and the Trustees agree that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Plan and submit to the jurisdiction of those courts.

A6 Alterations

The Trustees, with the agreement of the Principal Employer, may amend or add to the Rules. An amendment or addition must be made either by a deed executed by the Principal Employer and the Trustees or by resolution of the Trustees to be effective following obtaining the Principal Employer's consent.

B. MEMBERSHIP AND BENEFITS

B1 Membership

(1) No person may become a Member after 5 April 2011 except that an employee of an Employer who is not receiving a pension under the Plan may become a Member if he was in UK Employment on 5 April 2011 and before then had chosen to end his Pensionable Employment under Rule B7(1), but who has not joined another pension plan of any UK Employer or employers in the UK group.

(2) Any person who is a Member, or who may become a Member under sub-rule (1) may join a higher Level than currently applies to him only at the written invitation of the Principal Employer; the invitation will identify the Level at which the person may join. Other changes between Levels shall be made in accordance with Rule B3(1).

(3) Admission to membership will be subject to completing such documents and supplying such information as the Principal Employer requires and the benefits applicable to any person may, on joining or rejoining the Plan, be varied to any extent decided by the Principal Employer and agreed by the Trustees.

(4) A Member who would become a European Member, within the meaning of the Occupational Pension Schemes (Cross-border Activities) Regulations 2005, if a contribution were made to the Plan in respect of him will be treated under the Rules as having left Employment and ceased to be in active membership of the Plan immediately before he would become a European Member if any such contribution were made. This sub-rule will apply only to the extent permitted by law.

B2 Members' contributions

(1) A Member must pay contributions at the applicable level to the Plan until his Pensionable Employment ends.

(2) A Member may pay voluntary contributions until his Pensionable Employment ends. The Trustees may from time to time impose requirements relating to the amount and frequency of additional voluntary contributions. They may also require a Member to give a minimum period of written notice before he starts, changes or stops paying additional voluntary contributions. A Member's voluntary contributions are credited to the Member's AVC Account in accordance with Rule B14.

(3) A Member's contributions are deducted from his remuneration by his Employer, unless the Trustees arrange to collect them in some other way. The Employer must pay the contributions it has deducted to the Trustees at intervals agreed between the Principal Employer and the Trustees or as otherwise directed by the Trustees.

B3 Structure of the Plan and Members' pension entitlements

(1) There are six levels of benefit under the Plan. Levels 4 and 5 apply to Executive Members only. A different rate of contribution is payable under each Level. The Levels and rates applicable for a Plan Year are as follows, where applicable, according to the Member's age on the 6 April on which the Plan Year starts –

Level	Attained age (years)	Contribution as percentage of Pensionable Pay	Benefit as a proportion of Pensionable Pay
1 Jupiter	any	3%	1/80
2 Saturn	under 40	7%	1/60

Level	Attained age (years)	Contribution as percentage of Pensionable Pay	Benefit as a proportion of Pensionable Pay
2 Saturn	40 and under 50	8%	1/60
2 Saturn	50 and over	9%	1/60
3 Mars	under 40	11%	1/45
3 Mars	40 and under 50	12%	1/45
3 Mars	50 and over	13%	1/45
4 Neptune	under 40	7%	1/45
4 Neptune	40 and under 50	8%	1/45
4 Neptune	50 and over	9%	1/45
5 Pluto	under 40	11%	1/30
5 Pluto	40 and under 50	12%	1/30
5 Pluto	50 and over	13%	1/30
6 Mercury	any	3%	1/80

The contribution rate for a Former Red Book Member and a PLM Director Member is reduced by 3% of Pensionable Pay for any Plan Year in which he is not an Executive Member included in Level 4 or Level 5.

The contribution rate for a Former Nacanco (1988) Pension Plan Member who was contributing to that Plan at 5% of Pensionable Pay on 6 April 2003 is reduced by 1% of Pensionable Pay for any Plan Year provided that he joined Level 2 on 7 April 2003 and remains in Level 2 thereafter. If he moves from Level 2 the 1% reduction will not apply to the contribution rate according to his age for the new Level. If, with the Principal Employer's agreement, he subsequently returns to Level 2 the 1% reduction will not apply to the contribution rate according to his age.

The contribution rate for a Former Nacanco 45 Pension Plan Member who was contributing to that Plan at 5% of Pensionable Pay for benefits based on 1/45th of Pensionable Pay on 6 April 2003 is reduced by 4% of Pensionable Pay for any Plan Year provided that he joined Level 3 on 7 April 2003 and remains in Level 3 thereafter. If he moves from Level 3 the 4% reduction will not apply to the contribution rate according to his age for the new Level. If, with the Principal Employer's agreement, he subsequently returns to Level 3 the 4% reduction will not apply to the contribution rate according to his age.

The contribution rate for a Former Nacanco 45 Pension Plan Member who was contributing to that Plan at 5% of Pensionable Pay for benefits based on 1/30th of Pensionable Pay on 6 April 2003, is reduced by 4% of Pensionable Pay, and his pension entitlement accrual rate continues to be 1/30th of Pensionable Pay, for any Plan Year provided that he joined Level 3 on 7 April 2003 and remains in Level 3 thereafter. If he moves from Level 3 the 4% reduction will not apply to the contribution rate according to his age for the new Level, and his accrual rate will be the standard rate for the new Level in accordance with this sub-rule. If, with the Principal Employer's agreement, he subsequently returns to Level 3, the 4% reduction will not apply to the contribution rate according to his age, and his accrual rate will be 1/45th.

The contribution rate for a Former Nacanco 45 Pension Plan Executive Member who was contributing to that Plan at 5% of Pensionable Pay on 6 April 2003 is reduced by 5% of Pensionable Pay for any Plan Year provided that he joined Level 5 on 7 April 2003 and remains in Level 5 thereafter. If he moves from Level 5 the 5% reduction will not apply to the contribution rate according to his age for the new Level. If, with the Principal Employer's agreement, he subsequently returns to Level 5, the 5% reduction will not apply to the contribution rate according to his age. If a Member becomes an Executive Member he will automatically be transferred to Level 5 unless he opts to remain at the Level he was on before he became an Executive Member.

A Member in Levels 1 to 5 may change the level which applies to him ***to a lower Level*** with effect from any 6 April by notifying the Trustees in writing of his request at least one month before the 6 April from which the change is to take effect. A Member in Level 6 cannot change from Level 6 to another Level unless invited to do so in writing by the Principal Employer. Levels 4 and 5 are only available to Executive Members.

The Principal Employer may determine from time to time whether each of the Levels are open to existing and/or new Members and any conditions which apply to membership of any of the Levels.

(2) At the end of each Plan Year a Member who is in Pensionable Employment or who leaves Pensionable Employment at the end of a Plan year (namely on 5 April) earns a pension entitlement equal to the fraction of his Pensionable Pay for that Plan Year in accordance with the Level applicable to him for that Plan Year. A Member who leaves Pensionable Employment on any other date during a Plan Year, earns a pension entitlement for that Plan Year. For a Member in Levels 1 to 5 it is based on his previous Plan Year's Pensionable Pay increased by one per cent. above the rate of increase in the Index over the previous Plan Year. For a Member in Level 6 it is based on his previous Plan Year's Pensionable Pay increased by the rate of increase in the Index over the previous Plan Year. The rate of increase in the Index over that Plan Year is the percentage rate of the increase in the Index, comparing the level of the Index for the month of December of that Plan Year with its level in the previous December. The proportion of the Member's pension entitlement for the Plan Year in which he left Pensionable Employment will be calculated according to the number of days elapsed in the Plan Year in which he left Pensionable Employment. The first Plan Year for this purpose was 6 April, 2000 to 5 April, 2001.

Certain Former Nacanco 45 Pension Plan Members have a pension entitlement for each Plan Year equal to 1/30th of Pensionable Pay but in all other respects they are entitled to receive Level 3 benefits under the Plan. The Members to whom this applies have been notified in writing by the Principal Employer and this entitlement is conditional on them having joined Level 3 on 7 April 2003 and then remaining in Level 3 thereafter. If such a Member moves from Level 3 and subsequently returns to Level 3, his accrual rate will be 1/45th of Pensionable Pay (instead of the 1/30th rate mentioned above).

Revaluation while an active member

(3) This sub-rule applies to a Member who is in Pensionable Employment. The pension entitlement for each Plan Year of a Member to whom this sub-rule applies, is increased at the end of each Plan Year in the period from the end of the Plan Year until the date his Pensionable Employment ends.

(a) The rate of increase at the end of each Plan Year, in the case of a Member in Levels 1 to 5, is one per cent above the rate of increase in the Index for that Plan Year. If there is a decrease in the Index for any Plan Year after one per cent. positive has been added so as to reduce the decrease, that rate of reduced decrease is carried forward and taken into account as a reduction to increases which would otherwise apply in the future to the pension entitlement of a Member who was a Member at any time in the Plan Year for which there was a decrease in the Index until the reduced decrease has been fully taken into account.

(b) The rate of increase at the end of each Plan Year, in the case of a Member in Level 6, is the rate of increase in the Index for that Plan Year. If there is a decrease in the Index for any Plan Year, that rate of decrease is carried forward and taken into account as a reduction to increases which would otherwise apply in the future to the pension entitlement of a Member who was a Member at any time in the Plan Year for which there was a decrease in the Index until the decrease has been fully taken into account.

The rate of increase or decrease in the Index for a Plan Year is the percentage rate of the increase or decrease in the Index, comparing the level of the Index for the month of December immediately preceding the end of the Plan Year on which the increase (if any) is due with its level in the previous December.

Revaluation for deferred members following redundancy or sale of employer

(4) This sub-rule applies to a Member who has become entitled to a deferred pension under the Rules having left Employment after 5 April 2000 due to redundancy or due to his Employer having stopped participating in the Plan following either a transfer of the whole or part of the share capital of the Employer to a person who is not an Employer or a transfer of the whole or part of the undertaking of the Employer to a person who is not an Employer (notwithstanding that that person may in connection with that transfer become an Employer for a temporary period). "**Redundancy**" for this purpose has the same meaning as in the Employment Rights Act 1996 but includes leaving Employment where there are redundancies in the establishment where the individual works in response to a request by the Employer for voluntary leavers.

The deferred pension entitlement of such a Member is increased over the Deferment Period. The increase is calculated by reference to each Plan Year. For each Plan Year the increase is as follows:

(a) In the case of a Member in Levels 1 to 5, it is one per cent above the rate of increase in the Index for that Plan Year. If there is a decrease in the Index for any year after one per cent. positive has been added so as to reduce the decrease, that rate of reduced decrease is carried forward and taken into account as a reduction to increases which would otherwise apply in the future until the reduced decrease has been fully taken into account.

(b) In the case of a Member in Level 6, it is the rate of increase in the Index for that Plan Year. If there is a decrease in the Index for any year, that rate of decrease is carried forward and taken into account as a reduction to increases which would otherwise apply in the future until the decrease has been fully taken into account.

The aggregate of the increases under paragraph (a) or (b) will not be less than the aggregate increases which would have been made if the Member had received increases under sub-rule (5).

The rate of increase or decrease in the Index for a Plan Year is the percentage rate of the increase or decrease in the Index, comparing the level of the Index for the month of December immediately preceding the end of the Plan Year on which the increase (if any) is due with its level in the previous December.

Revaluation for other deferred members

(5) This sub-rule applies to a Member who has become entitled to a deferred pension under the Rules after 5 April 2000 excluding a Member to whom sub-rule (4) applies except in respect of the aggregate increases as stated in that sub-rule. The part of the deferred pension entitlement of such a Member which exceeds the guaranteed minimum pension is increased over the Deferment Period. The increase is the rate of increase in the Index over the Deferment Period. The increase in the Index is measured by comparing the level of the Index for the month of December immediately preceding the 6 April before the start of the Deferment Period with its level in the December immediately preceding the 6 April before the end of the Deferment Period. The aggregate of these increases for the part of the deferred pension (in excess of the guaranteed minimum pension) which is attributable to the Member's Pensionable Employment up to (and including) 6 April 2009 will not be higher than 5 per cent per annum compound applied every 6 April during the Deferment Period. The aggregate of these increases for any other part of the deferred pension (in excess of the guaranteed minimum pension) will not be higher than 2.5 per cent per annum compound applied on

6 April 2010 and every subsequent 6 April during the Deferment Period. However, if, for any future period a rate which is lower or higher than 2.5 per cent applies in place of 2.5 per cent, by way of a replacement of the lower maximum rate specified in paragraph 2(6) of Schedule 3 to the Pension Schemes Act 1993, that lower or higher rate will apply in relation to the part of the pension attributable to that period of Pensionable Employment.

The part of the pension which equals the guaranteed minimum pension is increased in accordance with Appendix 1.

Opening balances on 5 April 2000

(6) Each Member who on 5 April 2000 was a Member in Pensionable Employment or a member of the Rexam Executive Benefit Plan or the PLM Scheme was granted an opening balance for his Plan Pension. This was equal to his deferred pension entitlement under the Plan or the Rexam Executive Benefit Plan or the PLM Scheme (as applicable) (the 2000 Rexam/PLM Pension). His pension entitlement for the start of the 6 April 2000 Plan Year is the 2000 Rexam/PLM Pension increased by 2.8 per cent. That pension entitlement is increased in accordance with the applicable sub-rules above. It will not, at the end of the Deferment Period, be less than the 2000 Rexam/PLM Pension increased as follows:

(a) in the case of Members who were members of the PLM Scheme, increased by the total of the following:

(i) in respect of the part of the pension which exceeds the guaranteed minimum pension as follows:

(1) in respect of the part of the pension accrued before 1 July 1999: at a rate of 5 per cent. per annum; and

(2) in respect of the part of the pension accrued on or after 1 July 1999 by the revaluation percentage under paragraph 1 of Schedule 3 to the Pension Schemes Act 1993;

(ii) in respect of the part of the pension which equals the guaranteed minimum, at the rate of revaluation under Appendix 1 assuming that the leaving service date was 5 April 2000.

(b) in the case of all other Members, increased by the greater of the following:

(i) the total of the following:

(1) in respect of the part of the pension which exceeds the guaranteed minimum pension on the basis set out in sub-rule (5) except that the period of calculation and the period of increase in the Index is the period between 5 April 2000 and the end of the Deferment Period. The rate of increase in the Index is the percentage rate of increase in the Index comparing the level of the Index for the month immediately preceding the end of the Deferment Period with its level in April 2000 or, if the pensionable pay on which the Member's 2000 Rexam/PLM Pension was based included his pensionable pay for the 1999-2000 Plan Year, April 2001, with a maximum of 5 per cent per annum compound applied on 6 April 2000 and on each subsequent 6 April until the end of the Deferment Period; and

(2) in respect of the part of the pension which equals the guaranteed minimum pension, at the rate of revaluation under Appendix 1 assuming that the leaving service date was 5 April 2000; and

(ii) at the rate of 3 per cent. per annum on each 6 April between 5 April 2000 and the end of the Deferment Period or, if the pensionable pay on which the Member's 2000 Rexam/PLM Pension was based included his pensionable pay for the 1999-2000 Plan Year, on each 6 April between 5 April 2001 and the end of the Deferment Period.

Opening balances for former Nacanco Members who joined the Plan on 7 April 2003

(7) Each Former Nacanco (1988) Pension Plan Member, Former Nacanco 45 Pension Plan Member and Former Nacanco 45 Pension Plan Executive Member was granted an opening balance for his Plan Pension. This was equal to his deferred pension entitlement under the Nacanco (1988) Pension Plan or the Nacanco 45 Pension Plan (as applicable) as at 6 April 2003 (the 2003 Nacanco Pension). This is his pension entitlement for the start of the 6 April 2003 Plan Year. It is increased in accordance with the applicable sub-rules above. It will not, at the end of the Deferment Period, be less than the 2003 Nacanco Pension increased as follows:

(i) in respect of the part of the pension which exceeds the guaranteed minimum pension - on the basis set out in sub-rule (5) except that the period of calculation and the period of increase in the Index is the period between 6 April 2003 and the end of the Deferment Period. The rate of increase in the Index is the percentage rate of increase in the Index comparing the level of the Index for the month immediately preceding the end of the Deferment Period with its level in April 2003 with a maximum of 5 per cent. per annum compound applied for every complete year between 6 April 2003 and the end of the Deferment Period; and

(ii) in respect of the part of the pension which equals the guaranteed minimum pension, at the rate of revaluation under Appendix 1 assuming that the leaving service date was 6 April 2003.

(8) The Trustees must periodically (at such intervals as they decide from time to time) compare the increases provided to Members in Pensionable Employment under sub-rule (3) above with increases in earnings over the relevant period. The Trustees will decide whether the earnings to be taken into account for this purpose are all or any of those applicable to the Employers (or any of them) or are notional earnings derived from an index of national average earnings or are determined on some other basis. After carrying out this review the Trustees will make a recommendation to the Principal Employer as to whether any increase made under sub-rule (3) above should be increased further. The Principal Employer will decide (at its sole discretion) whether to accept any such recommendation. Any accepted recommendation will be implemented by the Trustees (and will accordingly be taken into account as a benefit for the purpose of Rule E3).

B4 Maternity and other types of family leave

(1) If a Member is absent from work for a period of leave covered by this Rule, Rule B7 does not apply to the Member but the Member's membership continues during the leave subject to the provisions set out in this Rule. In this Rule

section refers to a section of the Employment Rights Act 1996;
ordinary adoption leave is as defined in section 75A;
additional adoption leave is as defined in section 75B;
ordinary maternity leave is as defined in section 71;
additional maternity leave is as defined in section 73;

parental leave is as defined in section 76;
paternity leave is as defined in section 80A or 80B;
additional paternity leave is as defined in section 80AA or 80BB;
other family leave means a period of absence from work for family reasons (within the meaning of Schedule 5 to the Social Security Act 1989) excluding any period of maternity, adoption, paternity or parental leave.

Notional in relation to earnings means earnings on the basis that the person was working normally and receiving remuneration likely to have been paid for so doing as decided by the Employer from time to time.

References in this Rule to Pensionable Pay are subject to any limit in place from time to time under Rule B23.

(2) This sub-rule applies to a period of:

- ordinary maternity leave;
- ordinary adoption leave;
- additional maternity leave during which remuneration is paid;
- paternity leave;
- additional paternity leave during which remuneration is paid;
- parental leave;
- additional adoption leave during which remuneration is paid;
- other family leave during which remuneration is paid.

If a Member is absent from work for a period to which this sub-rule applies, the period of absence is Pensionable Employment on the following basis:

(a) he will pay contributions during the period of absence as if his Pensionable Pay was the actual earnings from his Employer in that period which constitute Pensionable Pay reduced by the Offset per annum (in proportion to the Member's pay period); the earnings on which contributions are payable will not exceed the Member's Pensionable Pay applicable before the period of absence started;

(b) the earnings which are applicable for the purpose of his Plan Pension and the Lump Sum Death Benefit in the period of absence are calculated on the basis that they are Notional, except as stated in (c) below;

(c) the exception referred to in (b) above is that during a period of additional adoption leave or other family leave the earnings which are applicable for the purpose of his Plan Pension are those of his actual earnings which constitute Pensionable Pay in that period but if the Member leaves Pensionable Employment during a Plan Year and his pension entitlement for that Plan Year would (apart from this paragraph) be based on his previous Plan Year's Pensionable Pay which includes actual earnings in accordance with this paragraph, for the purpose of calculating his pension entitlement for that Plan Year, his Pensionable Pay will be calculated using those of his Notional earnings which constitute Pensionable Pay instead of his actual earnings and Rule B3(2) will be treated as modified accordingly.

(3) This sub-rule applies to a period of:

- unpaid additional maternity leave;
- unpaid additional adoption leave;
- unpaid additional paternity leave;

- unpaid other family leave.

If a Member is absent from work for a period to which this sub-rule applies the period of absence is not Pensionable Employment but the Member remains a Member for the purposes of the Lump Sum Death Benefit only. For the purpose of that benefit his earnings in the period of absence are calculated on the basis that they are Notional.

If the Member leaves Pensionable Employment during a Plan Year and his pension entitlement for that Plan Year would (apart from this paragraph) be based on his previous Plan Year's Pensionable Pay which includes a period with no earnings in accordance with this sub-rule, for the purpose of calculating his pension entitlement for that Plan Year, his Pensionable Pay will be calculated using his Notional earnings which constitute Pensionable Pay for that period and Rule B3(2) will be treated as modified accordingly.

(4) If a Member, after a period of unpaid additional maternity leave, unpaid additional adoption leave, unpaid additional paternity leave or unpaid other family leave, exercises the right to return to work, he may have any part of his leave treated as Pensionable Employment. To do this, the Member must pay the contributions which he would have paid based on Notional earnings which constitute Pensionable Pay for that part of his leave which is to be treated as Pensionable Employment.

(5) If the Member informs the Employer that he does not intend to return to work, or loses the right to do so or does not in fact return to work, the Member's Pensionable Employment ends and Rule B7 applies from:

(a) the day the Member stops receiving statutory maternity pay, adoption leave pay or paternity pay or contractual remuneration or discretionary remuneration or, if earlier, the date on which his Employment ends;

(b) in the case of unpaid other family leave, the day when the Member's absence from work for that period of leave started, or the day when the Member's discretionary remuneration ended, if later;

(c) in the case of parental leave or unpaid ordinary maternity leave or unpaid additional paternity leave, the day when that period of leave ended for the purposes of the Employment Rights Act 1996, or the day the Member's discretionary remuneration ended, if later.

In any case the Lump Sum Death Benefit ends on the earlier of (i) the day on which the Employer is informed that the Member does not intend to return to work and (ii) the day on which the Member loses the right to return to work, but not before the day in (a) above.

B5 Other absences

(1) A Member may be absent from work for a reason which does not fall within Rule B4 but is approved by the Employer for the purpose of this Rule. If this happens, the Member's membership continues (whether or not his Employment continues) on the basis set out in this Rule for such period as the Employer decides. During a period of absence, a Member's Pensionable Pay for the purpose of calculating Plan benefits (but not contributions) is decided from time to time by the Employer. At the end of that period the Member's Pensionable Employment ends and Rule B7 applies to him. References in this Rule to Pensionable Pay are subject to any limit in place from time to time under Rule B23.

(2) If a Member's basic remuneration during a period of absence is, in the Principal Employer's opinion, less than it would have been but for that absence, or if the Trustees agree for any other reason, he may suspend payment of contributions. He may pay them later on a basis agreed with the Trustees.

Any part of a period of absence for which a Member does not pay contributions is not Pensionable Employment, except to the extent the Principal Employer decides.

(3) Any decision by the Employer under this Rule will be notified to the Member and the Trustees.

B6 Member's Pension

Retirement at Normal Pension Age

(1) On retirement from Employment at Normal Pension Age, a Member is entitled to an immediate annual pension equal to his Plan Pension.

Late retirement

(2) (a) On retirement from Employment after Normal Pension Age, a Member is entitled to an immediate annual pension. His pension is his Plan Pension unless (b) below applies.

(b) A person who is a Member on 31 December 2007 may choose that his pension under this sub-rule is the following instead of the pension under (a) above : his Plan pension calculated at Normal Pension Age and then increased at a rate decided by the Trustees after consulting the Actuary. A Member may make this choice by written notice to the Trustees not less than one month before his Normal Pension Age. If he makes no such choice, this pension will be as in (a) above.

Early retirement

(3) On retirement from Employment or on leaving the Plan under Rule B7(1)(a) in either case before Normal Pension Age but on or after his Minimum Pension Age, a Member may, if the Principal Employer and the Trustees agree, choose to receive an immediate annual pension instead of the appropriate benefits under Rule B7. It is his Plan Pension reduced by an amount decided by the Trustees after consulting the Actuary.

(4) In the case of an Executive Member, a Former Red Book Member and a PLM Director Member, the reduction will be 0.25 per cent. for each month or part month by which the date of the Member's retirement precedes his Normal Pension Age.

(5) An immediate pension under this Rule (with any ancillary or contingent benefits) must, to the reasonable satisfaction of the Trustees, be at least equal in value, on the date it starts to be payable, to the benefits which have accrued to and in respect of the Member under the Plan, taking into account the preservation, revaluation and contracting-out requirements of the Pensions Acts including the Contracting-out Rules.

Incapacity retirement

(6) In sub-rules (7) to (12):

partial incapacity means physical or mental deterioration which is expected permanently to prevent a Member from carrying out the job he was doing before the onset of the condition. Partially incapacitated has the corresponding meaning.

incapacity means physical or mental deterioration which is expected to destroy permanently a Member's earning capacity. Incapacitated has the corresponding meaning.

The decision whether or not a Member is incapacitated or partially incapacitated is taken by the Trustees.

(7) If a Member retires from Employment before Normal Pension Age because of incapacity he may, if the Principal Employer and the Trustees agree, elect to receive an immediate annual pension instead of the appropriate benefits under Rule B7. His pension is equal to his Plan Pension but calculated as if his Pensionable Employment had extended until Normal Pension Age, or until the end of his fixed-term contract in the case of a Fixed-term employee, The Member's pension entitlement for that extended period of Pensionable Employment is calculated on the basis that he earned a pension entitlement from the date of retirement as follows:

(a) in the case of a Member in Levels 1 to 3, on Level 2;

(b) in the case of a Member in Level 6, at a proportion of one per cent. of Pensionable Pay for a Plan Year;

(c) in the case of an Executive Member, on Level 4;

in each case based on his Pensionable Pay for the Plan Year preceding the Plan Year in which he retires increased, in the case of a Member in Level 6, by the rate of increase in the Index for that preceding Plan Year and, in the case of a Member in Levels 1 to 5, by one per cent above that rate of increase. The rate of increase in the Index for that Plan Year is the percentage rate of the increase in the Index, comparing the level of the Index for the month of December of that Plan Year with its level in the previous December. If the Member retires on a 5 April, his pension entitlement for that extended period of Pensionable Employment will be based on his Pensionable Pay for the Plan Year which ends on that 5 April.

(8) If a Member who is aged at least 55 retires from Employment because of partial incapacity, he may, if the Principal Employer and the Trustees agree, elect to receive an immediate annual pension instead of the appropriate benefits under Rule B7. His pension is equal to his Plan Pension.

(9) If a an Executive Member in Levels 4 or 5, a Former Red Book Member or a PLM Director Member retires from Employment before Normal Pension Age because of partial incapacity, he may, if the Principal Employer and the Trustees agree, elect to receive an immediate annual pension instead of the appropriate benefits under Rule B7. His pension is equal to his Plan Pension but calculated as if his Pensionable Employment had extended for one-half of the period until Normal Pension Age or until the end of his fixed-term contract, in the case of a Fixed-term employee. The Member's pension entitlement for that extended period of Pensionable Employment is calculated on the basis that he earned a pension entitlement from the date of retirement on Level 4 which is based on his Pensionable Pay for the Plan Year preceding the Plan Year in which he retires increased by one per cent. above the rate of increase in the Index for that preceding Plan Year. The rate of increase in the Index for that Plan Year is the percentage rate of the increase in the Index, comparing the level of the Index for the month of December of that Plan Year with its level in the previous December. If the Member retires on a 5 April, his pension entitlement for that extended period of Pensionable Employment will be based on his Pensionable Pay for the Plan Year which ends on that 5 April.

(10) If before Normal Pension Age a Member receiving a pension on incapacity or partial incapacity stops suffering, in the opinion of the Trustees, from incapacity or partial incapacity of the same degree as gave rise to the incapacity or partial incapacity, they may reduce the Member's pension entitlement (and they may decide to pay no pension up to Normal Pension Age) and/or amend any lump sum death benefit payable on the Member's death.

(11) A Member requesting a pension on incapacity or partial incapacity must notify the Employer and supply such evidence and information to the Employer and the Trustees as they may require.

Without limiting any such requirements, a pension will not be considered unless the Trustees have received evidence from a registered medical practitioner selected by the Trustees that the Member is and will continue to be incapacitated or partially incapacitated (as the case may be). Subject to the Trustees having received such evidence, the decision whether a Member is incapacitated or partially incapacitated is for the Trustees and their decision is final.

(12) The Trustees may reduce or suspend a incapacity or a partial incapacity pension in the period up to Normal Pension Age if the Member is not able to satisfy the Trustees that he continues to be incapacitated or partially incapacitated (as the case may be). A pension or death benefit may be reduced to nil. If he was a Qualified Member the Member must, as a minimum, receive from Normal Pension Age the deferred pension to which he would have otherwise been entitled under Rule B7 reduced to take account of any actual exchange of pension for a lump sum. Any such reduction or suspension of pension or lump sum is subject to the Trustees having received evidence from a registered medical practitioner selected by the Trustees confirming that the Member no longer satisfies the partial incapacity and/or incapacity test (as applicable).

(13) Rule B8 applies if a Member wishes to exchange part or all of his pension for a lump sum.

B7 Ending Pensionable Employment

Leaving the Plan

(1) A Member's Pensionable Employment ends on the end date specified below if:

(a) he gives the Trustees at least one month's written notice (or any shorter period they agree to accept) of his intention to leave the Plan, but stays in Employment; or

(b) he leaves Employment; or

(c) he is absent from work and his Pensionable Employment stops under Rule B4 or B5; or

(d) his Employer stops participating in the Plan.

The end date in the case of (a) is the end of the month after the month in which he gives notice and in any other case is the date of the event causing his Pensionable Employment to end.

Deferred Pensions

(2) A Member whose Pensionable Employment ends before Normal Pension Age is entitled to a deferred annual pension payable from Normal Pension Age. It is equal to the Plan Pension.

Options

(3) The Member may request the Trustees in writing:

(a) if he has left Employment, instead of his deferred annual pension, to pay him a reduced immediate annual pension (which cannot start before his Minimum Pension Age unless he is retiring on account of incapacity within the meaning of Rule B6(6)) and so that, in the case of an Executive Member, a Former Red Book Member and a PLM Director Member, the reduction will be 0.25 per cent. for each month or part month by which the date of his retirement precedes his Normal Pension Age; or

(b) to postpone the payment of his deferred annual pension and pay it to him at a later date.

If the Trustees accept the Member's request they must ensure to their reasonable satisfaction, after consulting the Actuary, that the reduced immediate pension or increased postponed pension (with any ancillary or contingent benefits) is at least equal in value, on the date it starts to be payable, to the benefits which have accrued to and in respect of the Member under the Plan, taking into account the preservation and revaluation requirements of the Pensions Acts and the Contracting-out Rules.

A Member who is entitled to a Cash Equivalent may exercise that right as mentioned in Rule C10.

If a female Member who is entitled to a deferred annual pension requires her guaranteed minimum pension to be paid before Normal Pension Age, the balance of her deferred annual pension (reduced as referred to in sub-rule (3)(a)) will start to be paid at the same time.

B8 Pension commencement lump sum

(1) A Member whose Lifetime Allowance is available (wholly or in part) may, on becoming entitled to payment of a pension under the Rules, exchange for an immediate lump sum part or all of the pension up to the maximum permitted and subject to any other conditions necessary for the lump sum to qualify as a pension commencement lump sum as defined in Schedule 29 to the Finance Act, subject to the Contracting-out Rules. If a Member has exchanged part of his pension entitlement for a lump sum before 6 April 2006 and chosen to defer receipt of all or part of the pension to which the lump sum relates, he is not able to exchange any further part of that pension entitlement for a lump sum.

(2) An exchange of pension must take effect at the date from which the pension for which it is exchanged would otherwise have been payable to a Member. The lump sum must be paid within twelve months beginning with the day on which the Member becomes entitled to the pension.

(3) After he has been informed of his options by the Trustees, a Member must notify the Trustees in writing (in the form and within such time as they require) of his choice under sub-rule (1) and provide such information as they require to establish his available Lifetime Allowance and the available portion of his lump sum allowance within the meaning of Schedule 29 to the Finance Act. A Member's Lifetime Allowance or lump sum allowance (or part of it) will be treated as not available for the purposes of this Rule if the Member has not provided such information and confirmed its availability in writing to the Trustees.

(4) The basis on which a pension is converted to a lump sum under this Rule is decided by the Trustees after consulting the Actuary.

(5) If a Member has an AVC Account, the Principal Employer may, if the Trustees agree, decide that some or all of any lump sum to be paid under this Rule will be provided from his AVC Account and/or by way of exchange of his pension.

(6) In this Rule "Member" includes:

(a) if the Trustees and the Principal Employer decide (generally or in any particular case) a Pre-6 April 2006 Leaver as defined in the rules of the Plan in force on 5 April 2006;

(b) a Pre-2008 Beneficiary who is not a Pre-6April 2006 Leaver (as so defined).

B9 Death of a Member - lump sum

Death in Employment

(1) If a Member to whom sub-rule (3) does not apply dies while in Employment a lump sum is payable. It is equal to the total of:

(a) his contributions to the Plan with interest at 3% per annum compounded annually on each 6 April during his membership of the Plan; and

(b) the following multiple, according to his membership category and age at the date of death of whichever of his Gross Earnings (in any Plan Year to up to 6 April 2006) and his Pensionable Pay (in any subsequent Plan Year) is the highest amount:

Age	**Category Member Multiple**	**Category - Executive Member Multiple**
Up to 35	12	15
36 to 45	11	14
46 to 55	10	13
56 to 60	9	12
Over 60	8	11

For the purposes of this Rule the deduction of the Offset (referred to in Rule A3) will not be made in calculating Pensionable Pay.

However if a Member dies and he is not survived by a Dependant, the multiple at (b) above is four.

In the case of a Member who joins the Plan after 6 April 2006, and other than on a 6 April and who dies before he was a Member for a complete Plan Year, the Pensionable Pay for the benefit under this Rule is the annual equivalent of his Pensionable Pay for the period between the date of joining and the following 5 April or earlier date of death.

If a Member dies while in Employment and while entitled to a deferred annual pension under Rule B7(2), the benefit under this sub-rule B9(1) is reduced by any lump sum or instalments of pension payable under Rule B9(4) and by the value, as determined by the Trustees after consulting the Actuary, as at the date of the Member's death of the pension or, if he dies on or after Normal Pension Age, the lump sum or instalments of pension payable under Rule B10(2).

(2) The Trustees will determine how the lump sum benefit under sub-rule (1) is to be distributed but so that any payment of a lump sum up to the amount which would not cause a lifetime allowance charge to be payable (or such higher amount as the Principal Employer and the Trustees may decide) will be payable in accordance with Rule C2. Any amount not paid as a lump sum in accordance with Rule C2 will be used to provide a pension for any one or more of the following as decided by the Trustees: the Member's Spouse, Civil Partner, Dependants and Children.

(3) If a person who is a Member on 31 December 2007 dies on or after Normal Pension Age and a lump sum is payable in accordance with Rule C2. It is equal to the greater of:

(a) five times the annual pension which would have been paid if it had started on the date of his death; and

(b) the amount which would have been payable under sub-rule (1) had that applied less the value, as determined by the Trustees after consulting the Actuary as at the date of the Member's death, of the pension payable under Rule B10(3).

Death in deferment

(4) If a Member dies while entitled to a deferred annual pension under Rule B7(2) which has not started before Normal Pension Age, a lump sum is payable in accordance with Rule C2 equal to the amount of his contributions paid to the Plan (except voluntary contributions) with interest at 3% per annum compounded annually on each 6 April. If the payment of a Member's deferred annual pension has been postponed under Rule B7(3)(b) and he dies on or after Normal Pension Age before attaining age 75, a lump sum is payable under Rule C2. It is five times the annual pension which would have been paid to the Member if it had started on the date of his death. If he dies after attaining age 75 and before his pension starts, the instalments of pension which would have been paid to him during the period of five years after his death, assuming the pension had started on the date of his death, will be paid to his legal personal representatives at the times those instalments would have been paid to the Member.

Death in retirement

(5) If the Member dies before attaining age 75 having left Employment and after starting to receive his pension but before the fifth anniversary of having become entitled to that pension, a lump sum is payable in accordance with Rule C2 equal to the instalments of pension which would have been paid during the remainder of that five year period if he had survived. If he dies on or after attaining age 75, those instalments will continue to be paid to his legal personal representatives until the end of that five year period.

(6) If the Member having left Employment has become entitled to draw his pension from the Plan and dies before age 75 and before his pension starts, a lump sum is payable in accordance with Rule C2 equal to the pension which would have been paid during the five years following the date of his death. If he dies after attaining age 75 and before his pension starts, the instalments of pension which would have been paid to him during the period of five years after his death, assuming the pension had started on the date of his death, will be paid to his legal personal representatives at the times those instalments would have been paid to the Member.

(7) The amounts under sub-rules (3), (4), (5) and (6) above ignore any further increases which would have applied under Rule B13.

(8) For the purpose of sub-rules (4), (5) and (6), if a Member dies after attaining age 75, the Trustees may determine to pay a lump sum under Rule C2 instead of paying instalments of pension to his legal personal representatives; the lump sum payable under Rule C2 will be the aggregate of the instalments of pension that would have been paid.

B10 Death of a Member - Spouse's or Civil Partner's Pension

(1) An immediate annual pension is payable to the surviving Spouse, Civil Partner or Qualifying Dependant of a Member who dies in any of the circumstances described in sub-rules (2) and (3). The amount of the pension is calculated in accordance with the relevant sub-rule.

(2) If the Member dies while entitled to a deferred annual pension under Rule B7 which has not started, an immediate annual pension is payable:

(a) to his surviving Spouse or Civil Partner or, if the surviving Spouse or Civil Partner has agreed, his Qualifying Dependant;.

(b) if the Member is not survived by a Spouse or Civil Partner, to his Qualifying Dependant.

The pension is 50 per cent. of the Member's Plan Pension or, in the case of a Member who at the date his Pensionable Employment ended was an Executive Member or a Former Red Book Member or a PLM Director Member, 66.67 per cent. of his Plan Pension.

However, if the Member dies on or after Normal Pension Age, having postponed payment of his pension under Rule B7(3)(b), a pension is not payable under this sub-rule; instead, if he dies before attaining age 75, a lump sum is payable in accordance with Rule C2. It is five times the annual pension which would have been paid to the Member if it had started on the date of his death disregarding increases which would have applied under Rule B13. If he dies after attaining age 75 and before his pension starts, the instalments of pension which would have been paid to him during the period of five years after his death, assuming the pension had started on the date of his death, will be paid to his legal personal representatives at the times those instalments would have been paid to the Member disregarding increases which would have applied under Rule B13.

If he dies after attaining age 75, the Trustees may determine to pay a lump sum under Rule C2 instead of paying instalments of pension to his legal personal representatives; the lump sum payable under Rule C2 will be the aggregate of the instalments of pension that would have been paid.

(3) This sub-rule applies in respect of the part of a Member's, Executive Member's, Former Red Book Member's and PLM Director Member's pension attributable to his Pensionable Employment before 6 April 2010. If the Member dies after starting to receive his pension or, if he is a person who is a Member on 31 December 2007, he dies in Employment on or after Normal Pension Age an immediate annual pension is payable:

(a) to his surviving Spouse or Civil Partner or, if the Spouse or Civil Partner has agreed, his Qualifying Dependant;

(b) if the Member is not survived by a Spouse or Civil Partner, to his Qualifying Dependant.

The pension is 50 per cent. of the Member's full pension or, in the case of a Member who at the date his Pensionable Employment ended was an Executive Member or a Former Red Book Member or a PLM Director Member, 66.67 per cent of his Plan Pension. The Member's **full pension** is the amount his Plan Pension would have been at his death if he had not exchanged any part of it for a pension commencement lump sum.

(4) This sub-rule applies in respect of the part of a Member's, Executive Member's, Former Red Book Member's and PLM Director Member's pension attributable to his Pensionable Employment after 5 April 2010. If the Member dies after starting to receive his pension or, if he is a person who was a Member on 31 December 2007, he dies in Employment on or after Normal Pension Age an immediate annual pension is payable:

(a) to his surviving Spouse or Civil Partner or, if the Spouse or Civil Partner has agreed, his Qualifying Dependant;

(b) if the Member is not survived by a Spouse or Civil Partner, to his Qualifying Dependant.

The pension is 50 per cent. of the Member's full pension or, in the case of a Member who at the date his Pensionable Employment ended was an Executive Member, a Former Red Book Member or a PLM Director Member, 66.67 per cent. of the Member's full pension. The Member's **full pension** is the amount of his pension under the Plan at his death but, if he has exchanged any part of it for a pension commencement lump sum, increased to the amount the pension would have been if he had not exchanged any part of it.

B11 Children's pensions

(1) If a Member dies in the circumstances referred to in Rule B10(3) and he is survived by one or more Children, each Child is entitled to an immediate annual pension. Subject to sub-rule (3) it is 50 per cent. of the pension which would be payable to the Member's Spouse, Civil Partner or Qualifying Dependant or, in the case of a Member who at the date his Pensionable Employment ended was an Executive Member or a Former Red Book Member or a PLM Director Member, 37.5 per cent. of that pension.

(2) If a Member dies in the circumstances referred to in Rule B10(2) and he is survived by one or more Children, each Child is entitled to an immediate annual pension. Subject to sub-rule (3) it is 50 per cent. of the part of the pension referred to below which would be payable to the Member's Spouse, Civil Partner or Qualifying Dependant. In the case of a Member who at the date his Pensionable Employment ended was an Executive Member or a Former Red Book Member or a PLM Director Member, the pension payable under this sub-rule is 37.5 per cent. of the pension which would be payable to the Member's Spouse, Civil Partner or Qualifying Dependant.

The part of the Spouse's, Civil Partner's or Qualifying Dependant's pension referred to above is the part of the pension which is attributable to the Member's Pensionable Employment before 1 July 2008.

(3) The total annual amount of the pensions payable to a Member's Children is limited to the total annual amount payable in respect of two Children. It is further restricted so that the aggregate of the pension payable to the Member’s Spouse, Civil Partner or Qualifying Dependant (if one is payable) and the amount of the pension or pensions payable to the Member’s Child or Children does not exceed the Member's maximum pension under the rules of the Plan in force on 5 April 2006. This is the maximum pension which could have been provided from the Plan for the Member immediately before his death on the assumption that those rules, which set out the maximum applicable in the circumstances for Pre-6 April 2006 Tax Approval, had continued to operate.

(4) For any period during which there are more than two Children, the total annual amount to which they are entitled must be allocated from time to time to all the Children in proportions the Trustees decide.

B12 Spouses, Civil Partners and Children's pensions - additional provisions

(1) If a Member is survived by a widow or widower or civil partner who is not a Spouse or Civil Partner as defined in Rule A3 and is not otherwise entitled to a pension under the Rules, the widow or widower or surviving civil partner is entitled to an annual pension equal to, in respect of the Member's contracted-out employment by reference to the Plan completed before 6 April 1997, the appropriate guaranteed minimum.

The entitlement to a guaranteed minimum or to a reference scheme pension does not apply to a widow who is one of two or more widows of valid polygamous marriages, unless she is entitled to a Category B retirement pension under Regulation 3 of the Social Security and Family Allowances (Polygamous Marriages) Regulations 1975.

(2) If a Spouse, Civil Partner or Qualifying Dependant is more than ten years younger than the Member concerned, the pension payable under the Rules in respect of Pensionable Employment completed after 5 April 2000 may be reduced by an amount determined by the Trustees after consulting the Actuary. The pension payable to a Member's widow, widower or surviving civil partner must be at least equal to a pension calculated under sub-rule (1).

(3) No pension is payable to a Spouse, Civil Partner, Qualifying Dependant or Child if a Member has received a lump sum under Rule B16(1) instead of all the pension payable to and in respect of him.

B13 Pension increases

(1) Each pension under the Rules (except, unless the Principal Employer decides otherwise and the Trustees agree, a pension under Rule C15(c) and a pension derived from a Member's additional voluntary contributions) increases in each year after it starts to be paid.

(2) For the purposes of this Rule a Reference Period is determined by comparing the level of the Index for the month of December immediately preceding the 6 April on which the increase is due with its level in the previous December.

(3) The part of a pension which exceeds any guaranteed minimum pension in payment is increased on 6 April in each year. The rate of increase is determined in accordance with the following sub-rules:

Sub-rule (4) applies to the pension entitlement of a person who was a Member or a member of the Rexam Executive Benefit Plan on 5 April 2000 for the opening balance for his Plan Pension as at 6 April 2000 and for Plan Years 6 April 2000 to 5 April 2001 and 5 April 2001 to 5 April 2002 as increased in accordance with Rule B3; sub-rule (6) applies to his remaining pension entitlement;

Sub-rule (5) applies to the part of a pension for a Member who was an active member of the PLM Scheme on 5 April 2000 which is derived from the opening balance of his Pension Plan (as referred to in Rule B3(6)); and

Sub-rule (6) applies to a pension for a Member who became a Member on or after 6 April 2000.

However, a Member to whom sub-rule (4) or (5) applies may, before his pension commences to be payable, elect that the increases under sub-rule (6) will apply to him instead of those under sub-rules (4) and (5). A Member who makes such an election cannot later change the election. The election must be made in writing to the Trustees.

(4) The rate of increase attributed to a pension or part of it to which this sub-rule applies is the percentage increase in the Index over the Reference Period subject to a minimum of 3 percent. and a maximum of 5 per cent. for any Reference Period.

(5) The rate or rates of increase attributable to the part of a pension to which this sub-rule applies is the same rate or rates which would have applied under the rules of the PLM Scheme (applicable to the relevant part of the pension) applied to the Reference Period.

(6) The rate of increase attributable to a pension or part of it to which this sub-rule applies is the percentage increase in the Index over the Reference Period subject to a maximum for any Reference Period as follows:

(a) 7.5 per cent. in respect of that part of the pension which is attributable to the Member's Pensionable Employment before 6 April 2006;

(b) 5 per cent. for the part attributable to his Pensionable Employment from 6 April 2006 to 5 April 2009; and

(c) for the part attributable to subsequent Pensionable Employment, 2.5 per cent or such lower rate as may be permitted, or such higher rate as may be required, by law for any part of a pension.

(7) If a Spouse, Civil Partner or Qualifying Dependant has no entitlement to a guaranteed minimum pension, an entitlement is deemed to exist for the purposes of this Rule (the Qualifying Dependant for this purpose is assumed to be of the opposite sex to the relevant Member). The Trustees will decide its amount, and the period it is payable, after consulting the Actuary.

B14 Benefits from additional voluntary contributions

AVC Accounts

(1) The Trustees must maintain an account for each Member who pays additional voluntary contributions; those contributions will be credited to that account. A Member's AVC Account is cancelled when it has been wholly used for or in respect of the Member. There will be deducted from a Member's AVC Account the amount of any costs incurred by the Trustees in respect of the Account which is not met by the Employers.

Investments of AVC Accounts

(2) Rule D3 applies to the investments of Members' AVC Accounts.

Immediate use of AVC Account on retirement

(3) On the date as of which the Member's pension under the Plan becomes payable his AVC Account will be wholly applied by the Trustees in one of the following ways as decided by the Trustees:

(a) in buying a Policy in accordance with sub-rule (4);

(b) provided that the Member has been offered the option of a Policy but has not taken up such option;

(c) in providing a pension from the Plan in accordance with sub-rule (5) with an option for the Member to exchange pension for a lump sum under Rule B8.

Buying a Policy

(4) This sub-rule applies where a Policy is to be purchased under this Rule. Where this sub-rule applies the Trustees will request the Member to direct the Trustees in writing as regards the provider of the Policy and such benefits and other provisions of the Policy as the Trustees may request the Member to select. The Policy must qualify as a lifetime annuity as defined in the Finance Act. Rule C12 will apply and the Policy provisions may include any of the following:

- pension increases;
- pensions payable to a widow, widower or surviving civil partner or one or more Dependants on the Member's death;
- a guarantee that the pension is paid for a minimum period or provision for a defined benefits lump sum death benefit;
- the frequency of payment of instalments.

If the Member fails within a reasonable time, as decided by the Trustees, to give the direction referred to above, then, subject to any provision of the Rules whereunder a pension from the Plan or other benefit is to be paid, the Trustees will apply the Member's AVC Account (or applicable part of it) in the purchase of a Policy providing such benefits for the Member and/or any spouse or civil partner or Dependant and containing such Policy provisions as the Trustees decide. The Policy must qualify as a lifetime annuity or, as the case may be, a dependant's annuity as defined in the Finance Act. The Trustees' decision will be treated as having been directed by the Member.

Paying a pension from the Plan

(5) Any pension payable from the Plan under this sub-rule will be paid for the life of the Beneficiary. The amount of the pension will be decided by the Trustees after consulting the Actuary. Any such pension must satisfy the condition referred to in paragraph 2(2)(b) of Schedule 28 to the Finance Act.

If this sub-rule applies, and provided that the Member has been or is offered the option of a Policy instead of a pension from the Plan but has not taken up or does not take up such option, the Trustees will inform the Member in writing, before a pension is or may become payable to a Member from the Plan in respect of his AVC Account, of such options (if any) as the Trustees wish to offer in relation to the pension. The options may include:

- pension increases;
- pensions payable to a widow, widower or surviving civil partner or one or more Dependants on the Member's death;
- a guarantee that the pension is paid for a minimum period or provision for a defined benefits lump sum death benefit;
- the frequency of payment of instalments.

If the Trustees make available any option as referred to above and the Member fails within a reasonable time, as decided by the Trustees, to give the Trustees any directions as regards the option, the Trustees will decide the provisions applicable to the Member's pension. The Trustees have no liability to or in respect of a Member as regards the selection of any option (or any decision made by the Trustees as to the provisions in default of a selection).

Death of a Member

(6) If a Member with an AVC Account dies then the Trustees must pay the AVC Account as a lump sum in accordance with Rule C2.

Termination of Pensionable Employment

(7) If a Member's Pensionable Employment ends, his AVC Account is maintained unless a transfer payment is made or his benefits are bought out under the Rules.

Termination of the Plan

(8) If the Plan terminates the Trustees must apply the AVC Account of each Qualified Member affected by the termination to increase some or all of the benefits payable to or in respect of him, as they think fit. A non-Qualified Member receives a return of his AVC Account (reduced, unless the Trustees decide otherwise, by any tax for which they are liable) unless the Trustees treat him like a Qualified Member. Alternatively a Member's AVC Account will be transferred if the Trustees make a transfer payment under the Rules.

B15 Serious ill-health lump sum

(1) In this Rule "arrangement" has the meaning given by section 152 of the Finance Act. This sub-rule applies separately to each of a Member's arrangements under the Plan.

(2) If the Trustees receive evidence from a registered medical practitioner selected by the Trustees that a Member and has not become entitled to a pension or lump sum under the Plan is expected to live for less than one year, the Trustees may, if the Member so requests and subject to him having confirmed in writing to the Trustees that all or part of his Lifetime Allowance is available, pay him an immediate lump sum instead of his benefits.

(3) Any decision by the Trustees to pay a lump sum under this Rule (a **serious ill-health lump sum**) will also constitute a decision that, immediately following that decision but before the serious ill-health lump sum is paid, a new arrangement, is created under the Plan in respect of the Member and that any rights to any pension (including any rights to a guaranteed minimum pension) payable on the Member's death are treated as rights under that new arrangement. For the purposes of the Finance Act the new arrangement will be separate from the arrangement under which the serious ill-health lump sum is payable.

B16 Trivial commutation lump sum - Member

(1) A trivial commutation lump sum may be payable to a Member who has reached age 60 and subject to the provisions of this Rule if:

(a) the Trustees notify the Member in writing that they intend to pay him a trivial commutation lump sum; or

(b) the Member notifies the Trustees in writing that he wishes to receive payment of a trivial commutation lump sum.

(2) The payment of any lump sum under this Rule must satisfy the following conditions:

(a) it is paid when no trivial commutation lump sum has previously been paid to the Member by any Registered Scheme or, if such a lump sum has previously been paid, before the end of the commutation period;

(b) on the nominated date, the value of the Member's pension rights under all Registered Schemes does not exceed the commutation limit;

(c) all or part of his Lifetime Allowance is available; and

(d) it extinguishes the entitlement to benefits under the Plan of the Member and any person claiming in respect of his membership.

The Member must provide to the Trustees such information as they require to establish that the conditions set out above are satisfied.

(3) A Member's choice under this Rule must be made in such form and by supplying such information as to his entitlements under other Registered Schemes as the Trustees require.

Meaning of expressions used in this Rule

(4) The commutation period is the period beginning with the day on which a trivial commutation lump sum is first paid to the Member by any Registered Scheme and ending 12 months after that day.

(5) The nominated date is the day within the period of three months ending with the first day of the commutation period nominated by the Member (or, if no date is nominated, is the first day of the commutation period).

(6) The commutation limit is 1 per cent. of the Standard Lifetime Allowance on the nominated date.

(7) The value of the Member's pension rights on the nominated date is calculated in accordance with paragraph 7(5) of Schedule 29 to the Finance Act.

(8) Trivial commutation lump sum has the meaning given in Schedule 29 to the Finance Act.

B17 Trivial commutation – death benefit

(1) Where a Dependant is entitled under the Plan to a pension on the death of a Member, the Trustees may extinguish that person's entitlement to the pension and any lump sum death benefit in respect of the Member and pay the person a lump sum instead if:

(a) the amount of the lump sum does not exceed the amount referred to in paragraph 20(2) of Schedule 29 to the Finance Act; and

(b) the payment satisfies any other conditions applicable to a trivial commutation lump sum death benefit in accordance with Schedule 29 to the Finance Act.

(2) The Dependant's agreement to the payment of a lump sum under this Rule is needed to the extent that his agreement would have been required under the rules of the Plan in force on 5 April 2006.

B18 Lifetime Allowance Excess Lump Sum

(1) The Trustees may, if a Member so requests, pay a lifetime allowance excess lump sum (as defined in Schedule 29 to the Finance Act) to him if he has not reached age 75 in lieu of all or part of such part of the Member's entitlement to pension from the Plan as would exceed the Member's Lifetime Allowance at the time the Member becomes entitled to a pension.

(2) Any request made under this Rule must be in writing (in such form as the Trustees require) to the Trustees not later than two months before the date on which the first instalment of pension is payable.

(3) If the Trustees pay a lifetime allowance excess lump sum, they are discharged from all liabilities to and in respect of the Member concerned to which the lifetime allowance excess lump sum relates. This discharge is in addition to and without prejudice to any other discharge given to the Trustees.

(4) Any lifetime allowance excess lump sum must be paid within three months beginning with the day on which the Member becomes entitled to the pension and, if a lump sum is payable under Rule B8, at the same time as that lump sum is paid.

(5) No lump sum may be paid under this sub-rule unless the conditions required by the Finance Act for the payment of a lifetime allowance excess lump sum as an Authorised Payment are satisfied.

B19 Refund of excess contributions lump sum and contributions refund lump sum

At the Member's written request the Trustees will pay a refund of excess contribution lump sum (as defined in paragraph 6 of Schedule 29 to the Finance Act) or a contribution refund lump sum (as defined in paragraph 15 of Schedule 35 to the Finance Act 2009) to the Member provided that this payment satisfies the conditions necessary to qualify and be paid as an Authorised Payment.

B20 Small lump sums

(1) The Trustees may pay to a Member a lump sum which meets the applicable conditions in Part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009 (the Regulations).

(2) The payment of a lump sum as referred to in Part 2 will extinguish the Member's entitlement to benefits under the Plan (including any survivor's benefits) or, if made after the Member's death in respect of the Member, the payment will represent the total value of all sums and assets held for the purposes of the Plan in respect of the Member. This sub-rule applies where the Regulations so require it in order for the payment to be an Authorised Payment.

(3) A Member to whom a payment is proposed to be made under this Rule must provide to the Trustees such information as they require to establish that the conditions referred to in this Rule are satisfied, including a written declaration that the conditions will be satisfied if the payment is made by a specified date.

B21 General conditions applicable to Rules B15 to B20

Basis of commutation

(1) If a lump sum is provided under the Rules by way of exchange of pension, the basis on which a pension is converted to a lump sum is decided by the Trustees after consulting the Actuary.

Availability of Lifetime Allowance

(2) A Member's or other Beneficiary's Lifetime Allowance (or part of it) will be treated as not available for the purposes of Rules B15 to B19 if the Member has not confirmed its availability in writing to the Trustees.

Participants and Other Beneficiaries

(3) In Rules B15 to B17 "Member" and "Beneficiary" includes:

(a) a Participant as defined in section F (pension sharing on divorce etc) (and so that any provision of that section which is inconsistent with Rules B15 to B17 is overridden by those Rules);

(b) if the Trustees and the Principal Employer decide (generally or in any particular case) a Pre-6 April 2006 Leaver as defined in the rules of the Plan in force on 5 April 2006; and

(c) a Pre-2008 Beneficiary who is not a Pre-6April 2006 Leaver (as so defined).

B22 Payments made in error

Provided they are satisfied that all applicable conditions are met, the Trustees may make any payment from the Plan that is an Authorised Payment by virtue of Part 3 (pension errors) or Part 4 (lump sum errors) of the Registered Pension Schemes (Authorised Payments) Regulations 2009.

B23 Option to limit Pensionable Pay and revaluation while an active member

(1) The Principal Employer may from time to time, with the Trustees’ agreement, provide a Member with the option to

(a) have his Pensionable Pay limited for all purposes of the Plan except the benefit under Rule B9(1);

(b) limit the rate or amount of increase that is applied to his pension entitlement at the end of each Plan Year under Rule B3(3) whilst he is a Member in Pensionable Employment.

The options, including the limits, will be exercisable in such amount and in such form and by and with effect from such date as the Principal Employer, with the Trustees' agreement, decides and notifies to the Member.

(2) A Member who has exercised the option under sub-rule (1) to have his Pensionable Pay and/or the rate or amount of increase applied to his pension entitlement limited may subsequently elect by written notice to the Trustees to have the limit and/or limits disapplied or changed to such amount or amounts as the Principal Employer, with the Trustees' agreement, allows with effect from such date as the Principal Employer with the Trustees' agreement decides. Any such notice must be in the form and given by such time as the Trustees decide and notify to the Member.

(3) Notwithstanding the provisions of this Rule and for the avoidance of doubt, the Pensionable Pay of all Members will remain subject to any limit applicable under the definition of Pensionable Pay in Rule A3.

C. PAYMENT OF BENEFITS, BUYING POLICIES, TRANSFERS AND OTHER RULES RELATING TO BENEFITS

C1 Payment of pensions

Members

(1) A Member's pension is payable from the date it falls due by monthly instalments throughout his lifetime on each payment day. The last instalment is payable on the payment day in the month in which the Member dies.

(2) If a Member's entitlement to pension does not start from a payment day, an appropriate proportion of the full monthly instalment is payable with the first monthly instalment.

(3) If a Member dies before the first monthly instalment of his pension is due but after the event which gives rise to its payment, an appropriate proportion of the full monthly instalment is payable to the Member's personal representatives.

Spouses

(4) A Spouse's, Civil Partner's or Qualifying Dependant's pension is payable from the date it falls due by monthly instalments on the payment day in each month during the lifetime of the Beneficiary. The last instalment is payable on the payment day in the month in which the Beneficiary dies.

Children

(5) A Child's pension is payable from the date it falls due by monthly instalments on the payment day in each month until the Child is no longer a Child. The last instalment is payable on the payment day in the month in which the event causing its termination occurs. Rule C8 applies to the payment of a Child's pension.

(6) In this Rule **payment day** means a day in each month chosen by the Trustees, who may decide that instalments of a pension are to be payable less (or more) frequently than monthly, in which case this Rule is construed accordingly.

C2 Payment of lump sums on death

(1) In this Rule:

Death Benefit Beneficiary means in relation to a Member:

(a) his widow or widower or surviving civil partner,

(b) his grandparents, the descendants of those grandparents and the widows or widowers or surviving civil partner of any of them,

(c) a Dependant,

(d) any person (including an unincorporated association and trust) entitled to any interest in the Member's estate,

(e) any person (including an unincorporated association and trust) notified in writing by him to the Trustees under sub-rule (4).

In this Rule, a stepchild or adopted child of any person is treated as that person's child and a natural child of any person who has been adopted by another person is not excluded from this definition by reason of the application of any statutory provision.

(2) The Trustees must distribute any lump sum payable in accordance with this Rule within two years of the Trustees receiving notification of the Member's death or within two years of the time when the Trustees should reasonably have become aware of the Member's death, if earlier, among the Member's Death Benefit Beneficiaries living at or born after his death, and his personal representatives, in such shares as the Trustees decide. In carrying out their duty under this sub-rule, the Trustees need not take steps to identify every potential Death Benefit Beneficiary.

(3) In distributing a lump sum, the Trustees may pay it directly to a Death Benefit Beneficiary or may apply it for his benefit. This includes paying it to trustees (including themselves) to be held on trust for any one or more of the Death Benefit Beneficiaries (whether or not for other persons also). The Trustees may decide the terms of that trust, which may be a discretionary trust.

(4) A Member may notify the Trustees of the persons in whose favour he wishes the Trustees' powers under this Rule to be exercised. A notice may be withdrawn at any time. A notice neither binds the Trustees nor fetters them in any way in the exercise of their powers under this Rule, but may be taken into account by them.

(5) If all or any part of the lump sum has not been distributed under this Rule by the day which is the day before the expiry of the period for distribution referred to in sub-rule (2), the amount not distributed will be paid on or before that day to the Member's legal personal representatives.

C3 Deduction of tax

The Trustees may reduce any payment from, or the value of any benefit provided by, the Plan by the amount of any tax, duty or other fiscal imposition in respect of that payment or benefit for which they are liable or any other amount for which they may be liable (or jointly and severally liable) in respect of the Beneficiary concerned or, in the case of an authorised surplus payment, the sponsoring employer concerned, including any lifetime allowance charge, special lump sum death benefits charge, short service refund lump sum charge or authorised surplus payments charge under the Finance Act. The reduction will fully reflect the amount of tax paid by the Trustees and will be calculated using such factors as the Trustees decide after taking actuarial advice.

C4 Unclaimed benefits

(1) Unless the Trustees decide otherwise, any benefit or instalment of a benefit payable under the Plan is forfeited if it is not claimed within six years after first becoming payable or after the later date on which notice of entitlement is given to the Beneficiary concerned.

(2) The Crown, the Duchy of Lancaster, the Duchy of Cornwall or any foreign country or state (or an agency or other authority of it) may be entitled directly or indirectly to the whole of a person's estate on his death. If that happens and, but for this sub-rule, a benefit under the Plan would be payable to the estate, that benefit (except any guaranteed minimum pension) is forfeited.

C5 Overpayment and non-payment of contributions

(1) If there is an overpayment to a Beneficiary, the Trustees may deduct the amount overpaid from any future payments to that Beneficiary or to any other person deriving his entitlement through that Beneficiary. However, no deduction may be made from any guaranteed minimum pension and the power to deduct is subject to any restriction required under section 91 of the Pensions Act 1995. Alternatively, the Trustees may recover the amount overpaid from the person to whom it was paid.

(2) If a contribution payable by a Member is in arrears, the Trustees may deduct the amount concerned from any benefit payable to or in respect of him. Alternatively, they may, after taking actuarial advice, reduce the value of the benefits to and in respect of the Member. The making of any deduction is subject to any restriction required under section 91 of the Pensions Act 1995.

C6 Debts owed

(1) This Rule applies if a Beneficiary owes money:

(a) to the Plan as a result of his criminal, negligent or fraudulent act or omission or (if he is a Trustee) as a result of his breach of trust (except one for which the court has relieved him wholly or partly from personal liability); or

(b) to an Employer as a result of his criminal, negligent or fraudulent act or omission.

(2) If this Rule applies, the Principal Employer may require the benefits for or in respect of the Beneficiary to be reduced. The value of the reduction will be the amount owed. The reduction will be applied in a manner decided by the Trustees, after taking actuarial advice. The Trustees must give the Beneficiary a certificate showing the amount he owes to the Employer and the reduction in his benefits. If the Beneficiary disputes the amount owed, the Trustees must not make any reduction in benefits until the amount has become enforceable under a court order or arbitrator's award. However, the Trustees may suspend payment of any benefits in whole or in part, pending resolution of the dispute.

(3) To the extent that benefits for or in respect of a Beneficiary are reduced, if sub-rule (1)(b) applies those benefits are forfeited. The Trustees must pay to the Employer the amount owed or, if less, the value of the Beneficiary's benefits, if so required by the Principal Employer.

(4) The powers contained in this Rule are subject to sections 91 and 92 of the Pensions Act 1995. They must not be exercised to reduce any benefit below any applicable guaranteed minimum or, if sub-rule (1)(b) applies, to reduce any benefit derived from a transfer to the Plan (unless permitted by law).

C7 Benefits not to be assigned

(1) Except for the exercise of any option or the making of any election under the Rules and except in accordance with any order or provision as referred to in sections 24 and 28 of the Welfare Reform and Pensions Act 1999 (pensions on divorce), a Beneficiary must not in any way assign, charge, commute or surrender the whole or part of his benefits under the Plan.

(2) If a Beneficiary does any of the things mentioned in sub-rule (1), any benefit or instalment of benefit falling due for payment after the relevant event, but not any contingent benefits on his death, is forfeited and the Trustees will have the power under section 92(3) of the Pensions Act 1995 (power to pay a pension to the Beneficiary and/or any other person referred to in that section).

(3) This Rule does not apply to a guaranteed minimum pension (which by statute is incapable of being transferred) and to a Beneficiary's bankruptcy (when statutory provisions apply).

C8 Minors and incapacitated Beneficiaries

A Beneficiary may be a minor or, in the Trustees' opinion, may be suffering from any mental or physical incapacity making him unable to manage his affairs. In this case, the Trustees may pay all or part of his benefit either to any other person for the benefit of the Beneficiary or to any of his dependants. The receipt of the person to whom the benefit is paid is a complete discharge for the amount paid and the Trustees do not have any further responsibility in relation to it. As an alternative, the Trustees may retain all or part of the benefit and pay it later to the Beneficiary, or to any person selected by them for the benefit of the Beneficiary or to any of his dependants. If a Beneficiary is a minor, the Trustees may pay any benefit to him if they think this appropriate. Subject to Rule C9, any amount still retained by the Trustees on the death of the Beneficiary is payable to his estate. This Rule does not apply to any guaranteed minimum pension.

C9 Suspension of GMP

If a Beneficiary is entitled to the immediate payment of a guaranteed minimum pension, it must be paid to him, except where Rule C4 applies and in the following cases:

(a) If he is in the Trustees' opinion unable to act by reason of mental disorder or otherwise, the Trustees may suspend payment of the guaranteed minimum pension. In that event they may pay or apply sums equivalent to the suspended guaranteed minimum pension (**equivalent sums**) for the maintenance of the Beneficiary and/or his dependants. If equivalent sums are not paid or applied they must be held for the Beneficiary until he is again able to act or be paid to his legal personal representatives if he dies first.

(b) If he is imprisoned or detained in legal custody, the Trustees may suspend payment of the guaranteed minimum pension. In that event they must pay or apply equivalent sums for the maintenance of such one or more of the Beneficiary's dependants as they decide.

If equivalent sums are paid or applied or held, there is no entitlement to payment of the guaranteed minimum pension for the period to which the equivalent sums relate.

C10 Individual transfers requested by Members

(1) A Member who has a right to a Cash Equivalent or a Cash Transfer Sum may exercise that right as permitted by Chapter IV or 5 (as applicable) of Part IV of the Pension Schemes Act 1993, the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 and the Contracting-out (Transfer and Transfer Payment) Regulations 1996. If the Member exercises his right as so permitted, the Trustees must do what is needed to carry out what the Member requires if the receiving scheme or insurer agrees to accept the transfer.

(2) If a Beneficiary has no right to a Cash Equivalent or a Cash Transfer Sum (or if he has a right but has not exercised it), the Trustees may make a recognised transfer (within the meaning of section 169 of the Finance Act) in respect of him to another pension scheme or Policy chosen by the Member. The Member must provide a discharge to the Trustees in a form required by them.

(3) A transfer payment from the Plan to another pension scheme must be a recognised transfer within the above meaning. If a Policy is purchased in respect of a Member under this Rule, it must be such as is treated as a recognised transfer for the purpose of that section.

(4) The amount of a Cash Equivalent and Cash Transfer Sum will be decided by the Trustees, after consulting the Actuary and verified, in accordance with the applicable statutory requirements. The Trustees may increase the amount of a Cash Equivalent or Cash Transfer Sum. Where sub-rule (2) applies the transfer payment will be calculated on a basis consistent with the calculation of a Cash Equivalent and the Trustees may increase the amount of the transfer payment.

C11 Trustees' right to buy out benefits

As an alternative to providing benefits from the Plan for any Beneficiary, the Trustees may apply an amount in purchasing a Policy for the Beneficiary concerned. Before doing so the Trustees must obtain the written agreement of the Beneficiary, except where that is not required under the Regulations referred to in Rule C10(1). The amount to be applied or the value of the Policy to be transferred must be calculated on a basis consistent with the calculation of a Cash Equivalent. The Trustees may increase that amount or value. The Trustees must be reasonably satisfied, on the date the Policy is purchased, that the premium paid or the Policy's value (as the case may be) is at least equal to the value of the benefits which have accrued to or in respect of that person under the Plan, taking into account the preservation and revaluation requirements of the Pensions Acts and the Contracting-out Rules.

This Rule does not apply where Policies are purchased under Rule E8.

C12 Policies – general

The following applies to any Policy purchased under Rules C10, C11 and E8:

(1) The Policy may provide benefits of specific or non-specific amounts which may differ in form, amount or payment terms from those payable from or applicable under the Plan.

(2) The Policy will be issued to the Beneficiary in his name by the insurer (unless the Trustees otherwise decide).

(3) The Policy may be issued on a commission paying basis.

(4) Instead of purchasing a Policy, the Trustees may transfer to the relevant Beneficiary the benefit of any Policy and references in the Rules to purchasing a Policy will be read accordingly.

(5) Where a Policy is to be purchased by way of application of a Member's AVC Account, any costs incurred in arranging a Policy or otherwise applying the AVC Account, including the costs of any advice provided to the Member by a third party with the Trustees' agreement, will be treated as costs for the purposes of Rule B14.

C13 Bulk transfers

(1) If some (but not all) Beneficiaries become entitled at the same time to rights under the same pension scheme in which an Employer (or a successor to the whole or part of the undertaking of an Employer) participates, the Trustees may, at the request of the Principal Employer and after consulting the Actuary, make a recognised transfer (within the meaning of section 169 of the Finance Act) in respect of all or some of the Beneficiaries concerned as a group. The amount and manner of calculation of the transfer payment will be decided by the Trustees after consulting the Actuary. The Trustees will obtain written confirmation from the Actuary that the amount has been correctly calculated in accordance with the Trustees' decision.

(2) This sub-rule applies if all the Beneficiaries become entitled at the same time to rights under one or more pension schemes in which an Employer (or a successor to the whole or part of the undertaking of an Employer) participates. In this case the Trustees may, at the request of the Principal Employer and after consulting the Actuary, transfer all the assets of the Plan to one or more schemes if the transfer would be a recognised transfer (within the meaning of section 169 of the Finance Act). The Trustees may, however, reserve an amount in respect of any costs, expenses or other payments due from the Plan. If a transfer payment is made to more than one scheme, the assets of the Plan will be apportioned between the receiving schemes as the Trustees, with the consent of the Principal Employer, decide after consulting the Actuary. The Trustees will obtain written confirmation from the Actuary that the amount has been correctly calculated in accordance with the Trustees' decision.

(3) The Trustees may make a transfer payment in respect of a Beneficiary without his written consent only in accordance with the Regulations referred to in Rule C10(1).

C14 Trustees discharged

After making a transfer payment or purchasing a Policy under the Rules the Trustees are discharged from all liabilities to and in respect of the Beneficiary concerned to which the transfer or Policy relates. This discharge is in addition to and without prejudice to any other discharge given to the Trustees. In the case of a Policy this includes any liability relating to the selection of the Policy and any of its terms (whether selected by the Member or the Trustees) and the provision of benefits which are to be paid to or in respect of the Member from the Policy (including, without limitation, the effect on benefits of any commission or expenses paid).

C15 Benefit increases and discretionary pensions

With the consent of the Principal Employer, but subject to payment of any additional contributions which the Trustees (acting on actuarial advice) require, an Employer may:

(a) for or in respect of a Beneficiary: increase any benefit under the Plan or otherwise provide any benefit or impose any term which differs from that set out in the Rules;

(b) admit an employee of an Employer to membership of the Plan with benefits and/or on terms which differ from those set out in the Rules;

(c) provide a benefit for or in respect of any former employee of the Employer or of the Employer's predecessor in business.

The Principal Employer must notify the Trustees of any proposal by an Employer to do any of the above in good time to enable the Trustees to determine whether any contributions are required.

In the case of (c) above the entitlement of any such person will be only that which has been notified to him by the Trustees.

C16 Transfers in

The Trustees may accept a transfer payment relating to any person from another Registered Scheme or Policy. The Trustees must provide for and in respect of the person concerned the benefits they decide after taking actuarial advice. The Trustees may treat the person concerned as a Member, in any category of membership, or as a Beneficiary solely in relation to the transfer payment.

C17 Evidence and information

(1) A Beneficiary must produce any evidence and information required by the Trustees whether relating to the Plan or any other pension arrangement. The Trustees may rely on any evidence or information produced by a Beneficiary to an Employer instead of obtaining it directly. Payment of any benefit may be deferred by the Trustees until the evidence or information required is produced.

(2) If any evidence or information produced by a Beneficiary is incorrect, the benefits for and in respect of him will, if the Principal Employer requests, be amended to the extent the Trustees think appropriate after consulting the Actuary; but no benefit may be reduced below any applicable guaranteed minimum.

(3) The Trustees are entitled to rely on any information received from the Principal Employer concerning a Beneficiary's rights under the Plan. This includes whether a person is eligible for

membership, whether a person is in full or part-time employment, a person's normal hours of work and any full-time equivalent, the amount or nature of any person's earnings, the calculation of any period of employment and the reason why a Member's employment ends or why he is no longer eligible for continued membership.

C18 Limitation of claims

No person has any claim, right or interest under or in respect of the Plan except under or in accordance with the provisions of the Rules.

D. INVESTMENTS, TRUSTEES AND ADMINISTRATION

D1 Investment Regulations

The Trustees must prepare and review a statement of investment principles as required by section 35 of the Pensions Act 1995 and must comply with the Occupational Pension Schemes (Investment) Regulations 2005. The powers given to the Trustees by Rules D2 to D5 are subject to the requirements of those regulations.

D2 Trustees' powers - investment

(1) In addition to all powers which the law gives trustees, the Trustees may exercise any of the following powers in relation to the assets of the Plan:

(a) to allow cash to remain on deposit or current account in any currency with any deposit-taking institution in any part of the world and to retain any other assets, in each case for as long as they think fit;

(b) to dispose of any assets or deal with them on any terms; and

(c) either alone or in conjunction with others, to acquire (whether immediately or in the future) assets of any nature, situated in any part of the world, whether or not producing income or involving liabilities or transferable by delivery or by other means.

(2) The Trustees may enter into any kind of contract relating to the Plan. This includes (but is not limited to) insurance contracts or policies, underwriting, stocklending, options, futures and forward contracts, contracts for differences and partnerships for the collective investment of funds.

(3) The Trustees may enter into arrangements for the common investment on a pooled basis of assets comprised in the assets of the Plan with assets held on the trusts of another Registered Scheme. Those arrangements may confer on the managers of the assets any powers which the Trustees may exercise in relation to the assets of the Plan and may include provisions in favour of those persons which have a similar effect as those in Rules D5 and D12.

D3 Investments – AVCs

(1) The Trustees will make arrangements under which the value of a Member's AVC Account is calculated by reference to the value of investment funds selected and made available to Members by the Trustees from time to time.

(2) When requested to do so by the Trustees, the Member must direct the Trustees as to which of the available funds are to apply to his AVC Account. The Trustees will allow a Member to change his direction from time to time. The Member's direction (and any change in direction) must be in writing in such form and given at such time as the Trustees from time to time notify to Members. The Trustees must comply with any such direction (subject to the Trustees' right to withdraw a fund as mentioned in sub-rule (4)). If a Member does not make a fund direction when requested to do so within such time as the Trustees may allow, the Trustees will make the selection of the fund or funds to apply to his AVC Account and the Trustees' selection will be treated as having been directed by the Member.

(3) In complying with a Member's direction, or acting in default of a direction, the Trustees have no liability to the Member or any Beneficiary in relation to the investments chosen or the value of any asset of the Plan.

(4) The Trustees may at any time withdraw a fund from the investment funds available to Members and redirect Members' contributions being made from the withdrawn fund to another fund or funds. They may also transfer the proceeds of an existing fund to another fund or funds. If they do either or both of these things, they may (but need not) request Members whose AVC Accounts are affected to select another fund or funds, from those then made available by the Trustees, to replace the withdrawn fund. If the Trustees do not request those Members to do this before the Trustees transfer the proceeds and/or redirect contributions to another fund, they will notify them of the transfer and/or redirection and invite them to give new directions in accordance with sub-rule (2) in respect of their AVC Accounts. If a Member does not give a new direction, he will be treated as having directed the Trustees to retain the fund to which they have transferred the proceeds and/or redirected contributions for his AVC Account.

(5) The Trustees do not have any duty to advise on or to keep under review any investment made in accordance with this Rule or to consider whether or not it should be realised or switched.

D4 Trustees' powers - general

(1) In addition to all powers the law gives trustees, the Trustees may take any action or make any arrangements generally in connection with the administration or management of the Plan which they think fit. In particular, they may exercise any of the following powers:

(a) to deal with and manage any land or buildings in any way and on any terms (including repairing, improving or developing the land or buildings or in erecting, altering, demolishing or maintaining any buildings on the land);

(b) to insure:

(i) any asset of the Plan against any risk and for any amount;

(ii) against any loss to the Plan arising from its administration and management;

(iii) any person to whom Rule D12 applies for any amount against any liability incurred in connection with the Plan;

(c) to give indemnities, warranties and undertakings binding on the Plan's assets, including by giving security, but excluding a guarantee prohibited by the regulations referred to in Rule D1;

(d) to borrow money for the purpose of providing liquidity for the Plan on a temporary basis (and for no other purpose) on any terms, including by giving security;

(e) to obtain advice from, engage the services of or employ any person on any terms;

(f) to delegate, either generally or for any particular purpose, to any person any or all of the powers, discretions and duties of the Trustees on any terms; and

(g) to appoint any person as custodian of any assets of the Plan on any terms including the holding of assets in a nominee name.

The powers in (f) and (g) above include power to authorise the delegate or custodian to exercise any of the powers contained in this sub-rule. A sub-delegate or sub-custodian so appointed may also be authorised to exercise those powers to give the same authority to its sub-delegate or sub-custodian and so on for any lower level of sub-delegation or sub-custodianship.

(2) The exercise of every power or discretion and the making of every determination or decision by the Trustees in relation to the Plan is at their absolute discretion, unless it is expressly restricted by the Rules.

D5 Fund manager

(1) Without prejudice to the generality of the other powers conferred on them, the Trustees may appoint any person to be a fund manager of all or part of the assets of the Plan and, for that purpose, to exercise all or any of their powers and discretions. The Trustees must do this where it is obligatory under the Pensions Act 1995 and must comply with that Act in selecting a fund manager.

(2) The Trustees will decide the terms on which a fund manager is appointed. In particular the Trustees may authorise the fund manager:

(a) to act even though a conflict between the fund manager's interests and his duties to the Plan might arise (including the purchase of assets from the Plan and the sale of assets to the Plan); and

(b) to retain any benefit received through acting as fund manager, to deal for the account of the Plan without being obliged to secure the best terms available and to delegate any of the fund manager's powers and appoint an agent (including power to authorise a delegate or agent to appoint a sub-delegate or sub-agent and so on for any lower level of sub-delegation or sub-agency).

(3) Except where the Trustees otherwise decide (and such decision may be a general decision in relation to all transactions or a more limited decision, as the Trustees decide), no authority can be given by the Trustees which would enable a fund manager or delegate to buy assets for the Plan's account from himself, or, if the fund manager or delegate is a company, its close associate, or to sell assets of the Plan to himself, or, if the delegate is a company, its close associate. For this purpose a company is a close associate of the fund manager or delegate if:

(a) either the company or the fund manager or delegate has the power to secure:

(i) by means of the holding of shares or the possession of voting power in relation to the other of them or any other company; or

(ii) by virtue of any powers conferred by the articles of association or other document regulating the other of them or any other company,

that the affairs of the other of them are conducted in accordance with the wishes of the company or the fund manager or delegate (as the case may be); or

(b) any person who takes any decision material to the activity delegated by the Trustees to the fund manager or delegate also takes any decision material to the company's business.

D6 Trustees' decision-making

(1) If at any time there is a sole corporate Trustee, the Trustees' duties, powers and discretions are exercisable by resolutions of the directors of the Trustees or, where appropriate, of any committee (which need not include directors) which the directors have appointed either generally or for any

particular purpose, or by any duly authorised officer appointed for any general or particular purpose by the directors.

(2) The Trustees must keep records of their meetings as required by the Pensions Acts.

D7 Trustees' remuneration, appointment and removal

(1) The Trustees may be paid from the assets of the Plan any fees they agree from time to time with the Principal Employer. In addition, any firm of which a Trustee is a partner and any corporation in which he is in any way interested is entitled to be paid all proper charges for business transacted, time spent and acts done in connection with the Plan.

(2) The number of Trustees shall not be less that two except that a company may act as a sole trustee of the Plan.

(3) The Principal Employer may by deed appoint new or additional Trustees and remove a Trustee. This sub-rule is subject to the requirements of sections 241 and 242 of the Pensions Act 2004 (member-nominated trustees/directors) as applicable to the Plan.

(4) A Trustee may retire by serving on the Principal Employer not less than seven days' written notice unless to do so would reduce the number of Trustees below the minimum required by sub-rule (2).

(5) A Trustee who retires or is removed must promptly execute any deeds and other documents required to transfer the assets of the Plan to the Trustees.

D8 Actuarial investigations

(1) The Trustees must appoint an individual as actuary to the Plan as required by the Pensions Act 1995. An appointment may be revoked at any time and a new appointment made. Any requirement on the Trustees to take actuarial advice is construed as a requirement to consult an actuary (who may, but need not, be the actuary to the Plan) or a firm of actuaries or a corporate body making available the advice of an actuary.

(2) The Trustees must obtain the actuarial valuations, reports and certificates as required under the Pensions Act 2004 at the required intervals or more frequently if they decide. All necessary accounts and information must be supplied by the Trustees and the Employers for this purpose.

D9 Accounts and records

(1) The Trustees must appoint as auditor a person or firm eligible for appointment as an auditor of an occupational pension scheme under the Pensions Act 1995.

(2) The Trustees must keep books and records relating to their meetings, the Beneficiaries and the Plan's financial transactions as required by the Pensions Act 1995.

(3) The Trustees must within seven months after the Accounts Date in each year obtain audited accounts for the period ending on that date and an auditor's statement as required by the Pensions Act 1995. The Trustees and the Employers must give the auditor information for this purpose, as required by the Pensions Act 1995. The Trustees may from time to time change the Plan's accounting date.

D10 Plan administrator

The Trustees are appointed as the Plan administrator for the purposes of section 270 of the Finance Act. The Trustees must discharge the functions imposed on the Plan administrator as referred to in that section.

D11 Pension input period

(1) For the purposes of section 238 of the Finance Act the nominated date which the Trustees, as the Plan administrator, nominate to determine the pension input period is 5 April in each year.

(2) The Trustees may decide not to accept further contributions under a money purchase arrangement in respect of any Member if the Member has nominated a pension input period under that section which differs from the pension input period nominated by the Trustees and has failed, after being requested to do so by the Trustees, to withdraw the nomination.

D12 Protection of Trustees and others

Excluded liabilities - non-directors

(1) A person to whom this sub-rule applies is not liable for any act or omission in relation to the Plan except an act or omission of that person not in good faith and which the person knew to be a breach of duty. This sub-rule applies to any of the following persons but excluding any person who is a director of the Trustees or of any of the Employers:

- the Trustees
- the company secretary of the Trustees
- any member of any committee or sub-committee of the Trustees
- any employee of an Employer or of the Trustees who is engaged in administering or managing the Plan
- any person to whom any of the powers, discretions or duties of the Trustees have been delegated or sub-delegated.

Excluded liabilities - directors

(2) A person to whom this sub-rule applies is not liable for any act or omission in relation to the Plan except an act or omission of that person not in good faith and which the person knew to be a breach of duty. This sub-rule applies to any person who is a director of the Trustees or of any of the Employers. This sub-rule applies only to the extent not prohibited by section 232(1) of the Companies Act 2006.

Indemnity for non-directors

(3) The Employers must jointly and severally keep each person to whom this sub-rule applies indemnified against any actions, proceedings, claims and other liabilities of any nature arising out of the administration, management or trusteeship of the Plan (including any costs reasonably incurred in connection therewith). This indemnity includes any fine or penalty arising under any statutory provision which cannot be recovered out of the assets of the Plan. It does not apply:

(a) to the extent that the matter is covered by insurance;

(b) to anything resulting from an act or omission of the person who would, apart from this paragraph, be indemnified, where he was not acting in good faith and which he knew to be a breach of duty.

This sub-rule applies to any of the following persons but excluding any person who is a director of the Trustees or of any of the Employers or of an associated company (within the meaning of section 256 of the Companies Act 2006) of any of the Trustees or the Employers:

- the Trustees
- the company secretary of the Trustees
- any member of any committee or sub-committee of the Trustees
- any employee of an Employer or of the Trustees who is engaged in administering or managing the Plan
- any person to whom any of the powers, discretions or duties of the Trustees have been delegated or sub-delegated.

Qualifying pension scheme indemnity for directors

(4) The Employers must jointly and severally keep each director of the Trustees, each director of any of the Employers and each director of any associated company (within the meaning of section 256 of the Companies Act 2006) of any of the Trustees or the Employers indemnified against any liability incurred in connection with the activities of the Trustees as trustees of the Plan. Liability for this purpose includes, to the extent permitted by section 235 of the Companies Act 2006, any actions, claims, proceedings and costs reasonably incurred in connection with any of these. This indemnity excludes:

(a) any liability of the director to pay:

(i) a fine imposed by criminal proceedings; or

(ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or

(b) any liability incurred by the director in defending criminal proceedings in which he is convicted; section 235(4) and (5) of the Companies Act 2006 apply in the interpretation of this paragraph;

(c) any matter to the extent covered by insurance;

(d) anything resulting from an act or omission of the person who would, apart from this paragraph, be indemnified where he was not acting in good faith and which he knew to be a breach of duty.

Indemnity for directors

(5) The Employers must jointly and severally keep each director of the Trustees or of any of the Employers, or of any associated company (within the meaning of section 256 of the Companies Act 2006) of any of the Trustees or the Employers, indemnified against any actions, proceedings, claims and other liabilities of any nature arising out of the administration, management or trusteeship of the Plan (including any costs reasonably incurred in connection therewith). This indemnity includes any fine or penalty arising under any statutory provision which cannot be recovered out of the assets of the Plan. It does not apply:

(a) to the extent that the matter is covered by insurance;

(b) to anything resulting from an act or omission of the person who would, apart from this paragraph, be indemnified, where he was not acting in good faith and which he knew to be a breach of duty.

This sub-rule applies only to the extent not prohibited by section 232(2) of the Companies Act 2006.

Conflicts of Interest

(6) No exercise of a power or discretion or discharge of a duty by a person to whom sub-rule (1) or (2) applies is invalid on the ground that he is a Beneficiary or has any other interest in the subject matter, if all the Trustees are aware of the interest.

(7) A person to whom sub-rule (1) or (2) applies may retain for himself any benefit which he derived from his connection with the Plan if the Trustees are aware of the benefit.

(8) In exercising their powers under the Plan, the Trustees may deal with (and in particular may employ, engage the services of or delegate to) any Employer, who is not liable to account for any profit or other benefit.

(9) A director, company secretary or other appointed officer of the Trustees who is an employee, director or other officer of an Employer is not required to disclose to the Trustees any information in relation to which he owes a duty to any of the Employers not to disclose that information, or not to disclose it without permission. Any rule of law which may require such disclosure is disapplied accordingly. A director or other person to whom this sub-rule applies must however disclose to the Trustees that he is in possession of information which is confidential to the Employers as soon as reasonably practicable and any such director must not take part in any decision of the Trustees to which that information is relevant. This sub-rule does not restrict any statutory duty of the Employers to disclose information to the Trustees.

Professional trustees and others

(10) In the case of a person, other than an employee of the Trustees or an Employer, who is acting in the course of a business of the provision of advisory, administration, trusteeship or other services in relation to pension schemes, or who is employed by any such person, the provisions of this Rule apply only to the extent agreed in writing between that person or his employer (as the case may be) and the Principal Employer.

General

(11) This Rule does not restrict any protection or indemnity given by law to any person but is overridden by any agreement entered into by a person to whom this Rule applies relating to the performance by him of his duties.

(12) This Rule does not apply to the extent it would be inconsistent with the Pensions Acts or the Companies Act 2006.

(13) This Rule continues to operate notwithstanding the termination of the Plan.

E. EMPLOYERS, CONTRIBUTIONS AND TERMINATION

E1 Principal Employer

(1) With the Trustees' agreement a company may assume the position of the Principal Employer in succession to it, if the company succeeds to the business, or a substantial part of the business, of the Principal Employer or is the holding company of the Principal Employer.

(2) A change of Principal Employer:

(a) must be effected by a deed by which the new Principal Employer agrees with the Trustees and the current Principal Employer to undertake and assume the duties, powers and position of the Principal Employer in succession to it;

(b) may take effect from the date of that deed or from an earlier or later date.

E2 Participation of Associated Employers

(1) With the Trustees' agreement the Principal Employer may admit any company to participation in the Plan as an Associated Employer.

(2) Participation:

(a) must be effected by a deed by which the proposed Associated Employer agrees with the Trustees and the Principal Employer to perform and observe the provisions of the Plan which apply to it from time to time as an Associated Employer;

(b) may be on terms that the provisions of the Plan are varied in their application to some or all of the directors and employees of the Associated Employer, or provide that the Plan applies to some only of the directors and employees of the Associated Employer; and

(c) may take effect from the date of that deed or from an earlier or later date and may be for a definite or indefinite period.

(3) Participation must stop:

(a) on the effective date of any notice given under Rule E5 by the Associated Employer ending its liability to contribute to the Plan;

(b) on an order being made or an effective resolution being passed for the winding up of the Associated Employer (except for the purpose of reconstruction or amalgamation); or

(c) on any date specified in the deed of participation relating to the Associated Employer or on any date specified by the Principal Employer by written notice to the Associated Employer and the Trustees.

E3 Employers' contributions

(1) Each Employer must contribute to the Plan as determined in accordance with Part 3 of the Pensions Act 2004 (**Part 3**). The rate payable by one Employer may be different from the rate payable by another.

(2) The Trustees must comply with Part 3 and the Occupational Pension Schemes (Scheme Funding) Regulations 2005 to the extent that they apply to the Plan including:

(a) the preparation, review and, if necessary, revision of a statement of funding principles, a schedule of contributions and, where applicable, a recovery plan;

(b) deciding the methods and assumptions to be used in calculating the amount required, on an actuarial calculation, to make provision for the Plan's liabilities (the technical provisions);

(c) seeking the Principal Employer's agreement to the matters to be included in the statement of funding principles, schedule of contributions and recovery plan and to the methods and assumptions to be used in calculating the technical provisions (subject to the provisions of Part 3 where the Principal Employer's agreement is not obtained);

(d) obtaining the Actuary's advice before preparing or revising the statement of funding principles, the schedule of contributions and any recovery plan or making a decision in (b) above;

(e) obtaining the Actuary's certification of the technical provisions and the schedule of contributions; and

(f) sending documents and information to the Pensions Regulator as required by Part 3.

The Principal Employer is the Employers' representative for the purposes of the matters requiring their agreement under Part 3.

E4 Costs

(1) Unless the Principal Employer and the Trustees otherwise decide, the costs of the administration and management of the Plan will be paid by the Employers in such proportions as the Principal Employer decides. They will either be paid by the Employers directly or by reimbursing costs incurred by the Trustees. For the purposes of this sub-rule "costs" excludes the cost of the acquisition or disposal of investments (which shall be borne by the Plan). It also excludes charges and expenses under insurance policies and any other deductions, charges, expenses, commissions and taxes relating to the investment of the assets of the Plan.

(2) All administration and management costs of the Plan within sub-rule (1) and the investment costs excluded under that sub-rule which an Employer does not meet (whether or not the Employer is required to meet the costs under the Rules) are payable by the Trustees out of the assets of the Plan.

(3) The Trustees have power to reimburse an Employer out of the assets of the Plan in respect of any cost of the Plan which has been met by that Employer.

(4) If they think it appropriate, the Trustees may charge any cost or reimbursed cost against a Member's AVC Account.

E5 Termination of Employer's Liability

An Employer may at any time, by giving three months' written notice to the Trustees, terminate its liability to contribute to the Plan and to pay any costs which it is obliged to pay under the Rules. On receipt of a notice the Trustees shall advise the Members of the Employer's intention and the date on which the Employer will cease to contribute to the Plan. However, any notice of termination does not affect the obligation of the Employer to pay any contribution or cost which has become payable but which is unpaid at the time of the effective date of the notice (whether because it is to be paid in arrears or is due but unpaid).

E6 Termination of participation by an Employer

(1) This Rule applies if an Employer stops participating in the Plan (whether by reason of a notice under Rule E5 or otherwise). In this Rule the **relevant date** means the date on which the Employer stops participating, as decided by the Trustees.

(2) Each Member in the Employer's Employment who has deferred the start of his pension beyond Normal Pension Age is deemed to have retired on immediate pension on the relevant date and is entitled to benefits accordingly.

(3) Every other Member in the Employer's Employment leaves Pensionable Employment on the relevant date and is entitled to benefits accordingly.

E7 Termination

The Plan will terminate:

(a) on the effective date of any termination by the Principal Employer of its liability to contribute to the Plan in full; or

(b) on the date on which an order is made against the Principal Employer, or it passes an effective resolution for its winding up, unless a new Principal Employer has succeeded within six months; or

(c) if the Trustees having taken actuarial advice consider that the Plan is insolvent, the Trustees and the Principal Employer resolve that the Plan will terminate, on the date they determine.

On the termination of the Plan no further contributions are payable and no further persons may become Members (for any purpose of the Plan). Each Member who is in Pensionable Employment is treated as leaving Pensionable Employment. The Trustees will continue to administer and manage the Plan in accordance with the Rules.

E8 Winding up

(1) At any time after the Plan terminates, the Trustees may decide to wind it up. Subject to Rule E9 and, if applicable, the power to defer winding up conferred on them by section 38 of the Pensions Act 1995, the Trustees must wind up the Plan if so directed by the Principal Employer (as long as the direction is given before an order has been made against the Principal Employer, or it has passed a resolution, for its winding up).

(2) If the Plan winds up, the Trustees must comply with section 73A of the Pensions Act 1995 and pay or discharge from the Plan:

(a) any unpaid benefit which became due before the winding up began;

(b) all costs and other liabilities incurred in relation to the Plan (including its termination and winding up) which are not met by an Employer;

(c) the liabilities of the Plan attributable to money purchase benefits as referred to in section 73(10) of the Pensions Act 1995.

The costs referred to in (b) above include any costs incurred by the Trustees in respect of any insurance taken out as permitted by the Rules.

After paying (or reserving for) the items in (a), (b) and (c), the Trustees must apply the remainder of the Plan's assets, excluding any assets representing the value of any rights in respect of money purchase benefits as referred to in section 73(10) of the Pensions Act 1995, in satisfying the Plan's liabilities in accordance with section 73 of that Act.

(3) If any assets of the Plan remain, the Trustees may use all or part of them in one or more of the following ways:

(a) to increase a benefit provided for or in respect of any Beneficiary ;

(b) to provide a further benefit for or in respect of any Beneficiary;

(c) to provide a benefit for or in respect of any person whose benefits have been forfeited.

The consent of the Principal Employer to the use by the Trustees of any remaining assets in any of the above ways is required (so that, for the avoidance of doubt, if no such consent is given, sub-rule (4) will apply), unless an order has been made against the Principal Employer, or it has passed a resolution, for its winding up, or an administrator or administrative receiver has been appointed in relation to the Principal Employer.

(4) Any assets of the Plan which ultimately remain must, subject to compliance with section 76 of the Pensions Act 1995, be paid (less tax) to the Employers participating in the Plan on the termination date, in proportions the Trustees decide.

(5) In satisfying the Plan's liabilities on winding up, the Trustees are entitled to assume that no person will become married, divorced, enter into a civil partnership, cease to be a civil partner or be born after a date (which must not be earlier than the beginning of the winding up) selected by them. This does not apply in relation to a guaranteed minimum pension.

(6) The Plan's liabilities may be satisfied by the Trustees in any one or more of the following ways:

(a) making transfer payments in accordance with the Rules, for which no request or approval of any Employer or Beneficiary is required;

(b) purchasing Policies;

(c) paying lump sums which are winding up lump sums or winding up lump sum death benefits within the meaning of sections 166 and 168 of the Finance Act;

(d) in another way permitted under the Pensions Act 1995.

If the Trustees satisfy any liability under (b) above, they must try to purchase Policies providing benefits on the same terms as under the Rules. However, if the Trustees consider it to be in the interests of the Beneficiaries as a whole, the Policies may be for different amounts or on different terms.

E9 Continuation of the Plan as a closed scheme

(1) If any of the events in Rule E7 occurs, the Trustees may continue to operate the Plan as a closed scheme, in which case the following provisions of this Rule apply.

(2) The continuation of the Plan will be on whatever terms and subject to whatever conditions the Trustees think fit.

(3) No further benefits will accrue in respect of any period after any of the events specified in Rule E7.

(4) The amount of any benefit to which a Beneficiary is entitled under the Plan will be reduced as the Trustees consider appropriate and, if it is payable on the death of a person, may, if the Trustees so decide, cease to be payable (unless it is a benefit based only on a Member's contributions).

(5) The power to alter or replace the rules of the Plan is exercisable by the Trustees alone if an order has been made against the Principal Employer, or it has passed a resolution, for its winding up.

(6) At any time while the Trustees are operating the Plan as a closed scheme under this Rule, they may decide to wind it up.

F. PENSION SHARING ON DIVORCE OR DISSOLUTION OF A CIVIL PARTNERSHIP

F1 Interpretation and application

Words defined in Rule A3 have the same meanings in this Rule and additionally:

1993 Act means the Pension Schemes Act 1993.

1999 Act means the Welfare Reform and Pensions Act 1999.

Child, in relation to a Member or a Participant, has the same meaning as in Rule A3 but, in the case of a Participant, as if references to a Member are read as references to a Participant disregarding the provision that a child born after Pensionable Employment ends does not qualify.

Dependant means, in relation to a Member or a Participant, his Spouse or Civil Partner or any Child.

Distribution Rule means Rule C2. References to the Distribution Rule are to be read as if the references to a Member are to an Ex-Spouse/Civil Partner or, according to the context, a Participant.

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

Implementation Period is as defined in section 34 of the 1999 Act.

PCB Regulations means the Pension Sharing (Pension Credit Benefit) Regulations 2000 and **PCB Regulation** has the corresponding meaning.

Participant is an Ex-Spouse/Civil Partner in respect of whom, with the Principal Employer's consent, the Trustees have conferred a Pension Credit Benefit under the Plan. For this purpose the Participant must participate in the Plan, either:

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

(b) for the separate provision of a Pension Credit Benefit, where benefits accrue or have accrued to the Participant under the Plan for any other reason.

Pension Age means, in relation to a Participant, the Normal Pension Age applicable to the Member to whom the Pension Sharing Order relates.

Pension Credit Benefit means the benefits payable under the Plan to or in respect of a person by virtue of rights under the Plan attributable (directly or indirectly) to a Pension Credit.

Pension Credit Rights means rights to future benefits under a scheme which are attributable (directly or indirectly) to a Pension Credit.

Pension Debit means a debit under section 29(1)(a) of the 1999 Act.

Pension Sharing Order means any order or provision as is mentioned in section 28(1) of the 1999 Act.

Policy Rules means Rules C12 and C14 as if references to the Member were to the Participant.

Transfer Notice is as defined in section 101F of the 1993 Act.

F2 Providing information and giving effect to a Pension Sharing Order

(1) The Trustees must comply with the requirements imposed by the Pensions on Divorce etc. (Provision of Information) Regulations 2000 (the supply of information) in relation to pensions on divorce, separation, nullity or dissolution of a civil partnership.

(2) The Trustees must give effect to a Pension Sharing Order, and implement a Pension Debit and discharge their liability in respect of a Pension Credit, in accordance with Part IV of the 1999 Act and the provisions of this section F of the Rules. In relation to a Pension Credit the Trustees will decide which of the methods in (a) or (b) below will apply but the method in (b) is available only if the Principal Employer agrees:

(a) by paying the Pension Credit to a qualifying arrangement as defined in Schedule 5 to the 1999 Act in accordance with paragraph 1 of that Schedule; or

(b) by conferring rights to benefits under the Plan on the person entitled to the Pension Credit in accordance with Rule F3. The Principal Employer's agreement to conferring benefits in this way may be given in respect of any individual case or for all cases until the agreement is withdrawn by the Principal Employer (by notifying the Trustees).

(3) The Trustees may recover from a Member and/or his Ex-Spouse/Civil Partner any costs of the Trustees in respect of a Pension Sharing Order subject to the Pensions on Divorce etc. (Charging) Regulations 2000.

F3 Participation of Ex-Spouses/Civil Partners in the Plan

If, in accordance with Rule F2(2), the Trustees, with the Principal Employer's consent, so decide an Ex-Spouse/Civil Partner is entitled to the following benefits as a Participant, subject to compliance with Part IVA of the 1993 Act:

(1) ***Pension for Ex-Spouse/Civil Partner***

(a) On attaining Pension Age or, if later, as from the date the Pension Sharing Order is implemented the Participant will be entitled to a pension payable for life. The amount of the pension and the terms on which it is payable is decided by the Trustees, after taking actuarial advice, and notified to the Participant by the Trustees. The pension will be increased in payment in accordance with the PCB Regulations. The Trustees may at the request of the Participant agree to the payment of the pension earlier or later than stated above if permitted by the PCB Regulations.

(b) If the Participant is also a Member the pension may, if the Trustees agree, be paid before he attains Pension Age on grounds of incapacity or partial incapacity if he is granted, and simultaneously takes, a pension under Rule B6(7), (8) or (9).

(c) The Participant's pension cannot be commuted, surrendered or assigned except in accordance with sub-rule (2).

(2) ***Exchanging pension for lump sum***

(a) Except in cases to which paragraph 2(2) of Schedule 29 to the Finance Act applies, the Participant may, by written notice to the Trustees, choose to take a lump sum in commutation of part of his pension in accordance with Rule B8 as if the Participant was a Member.

(b) No lump sum may be paid to the Participant where:

(i) the relevant Member who was formerly married to or formerly a civil partner of the Participant has already received a lump sum benefit from the Plan before the date of the implementation of the Pension Sharing Order; or

(ii) all his rights under the Plan are attributable to a Pension Credit and, when he became entitled to the Pension Credit, the relevant Member (as referred to in (i) above) had an actual right to payment of a pension under the Plan.

(3) ***Death of Participant before pension paid***

(a) If the Participant dies before his pension comes into payment, a lump sum death benefit will be paid at the discretion of the Trustees in accordance with the Distribution Rule.

(b) The lump sum will be 25 per cent. of the Cash Equivalent of the Pension Credit Rights at the Participant's date of death.

(c) The balance of that Cash Equivalent will be used to provide a non-commutable pension to one or more Dependants of the Participant as decided by the Trustees.

(d) The amount of pension payable to a Dependant is decided by the Trustees after taking actuarial advice and notified by the Trustees to the Dependant(s).

(e) The terms on which a Dependant's pension is paid are decided by the Trustees but a Dependant's pension must be payable for life, except that a pension paid to a Child must cease when he ceases to be a Child.

(4) ***Death of Participant when pension is in payment***

(a) If the Participant dies after his pension has come into payment, a non-commutable pension will be paid to one or more Dependants of the Participant as decided by the Trustees.

(b) The amount of the pension and the terms on which it is paid are decided by the Trustees after taking actuarial advice and notified by the Trustees to the Dependant(s).

(c) A Dependant's pension must be payable for life, except that a pension paid to a Child must cease when the child ceases to be a Child.

(d) If the Participant dies before five years' instalments of his pension have been paid, the remaining balance of the pension instalments will be paid as a lump sum at the discretion of the Trustees in accordance with the Distribution Rule.

(5) ***Voluntary transfer or buy-out by of Cash Equivalent of Pension Credit Benefit***

The Trustees must act on a Transfer Notice given by a Participant subject to, and in accordance with, Part IVA of the 1993 Act. The Trustees must also confirm to the receiving arrangement that the transfer payment consists wholly or partly of rights to a Pension Credit Benefit.

(6) ***Participants who are also Members***

Unless a Participant has only a Pension Credit Benefit, the Trustees must make provision for the Pension Credit Benefit to be treated as provided separately from any benefits provided under the Plan for the same individual as a Member or as a Beneficiary in respect of a Member.

F4 Compulsory buy-out of Pension Credit Rights

The Trustees may provide for benefits in respect of a Participant which are different from those set out in Rule F3 to be secured by means of a transaction to which section 19 of the 1993 Act applies in accordance with the PCB Regulations.

F5 Compulsory transfer of Pension Credit Rights to another pension scheme

The Trustees may provide for an Ex-Spouse/Civil Partner's Participant's Pension Credit Rights to be transferred to another pension scheme without the Ex-Spouse/Civil Partner's consent in accordance with PCB Regulation 10.

F6 Transfers in which include Pension Credit Rights

The Trustees will not, unless the Principal Employer agrees, accept a transfer payment in accordance with the Rules for an individual who is already a Member or is already a Participant if they are informed by the transferer that the transfer value consists wholly or partly of Pension Credit Rights in the former scheme or arrangement. If such a transfer payment is accepted, the Trustees must separately identify the transfer payment relating to the Pension Credit Rights or the part of the transfer payment relating to the Pension Credit Rights, from other rights of the Member or Participant. The Trustees must make provision for the transferred-in Pension Credit Rights to be treated as provided separately from any benefits provided under the Plan for the same individual as a Member or as a Beneficiary in respect of a Member. The individual will then acquire the status of a Participant in the Plan in relation to his transferred-in Pension Credit Benefits.

F7 Death of Ex-Spouse/Civil Partner before Trustees act on Pension Sharing Order

(1) If an Ex-Spouse/Civil Partner with Pension Credit Rights dies before the Trustees have discharged their liability in respect of the Pension Credit, a lump sum will be paid at the discretion of the Trustees in accordance with the Distribution Rule.

(2) The lump sum will be 25 per cent. of what would have been the Cash Equivalent of the Pension Credit Rights.

(3) The balance of the Cash Equivalent will be used to provide a non-commutable pension to one or more Dependants of the Ex-Spouse/Civil Partner as decided by the Trustees.

(4) The amount of pension payable to a Dependant is decided by the Trustees after taking actuarial advice and notified by the Trustees to the Dependant(s). It is limited to a maximum of two-thirds of the amount of the pension that could have been paid to the Ex-Spouse/Civil Partner at the date of death if the whole of what would have been the Cash Equivalent of the Pension Credit Rights had been used to purchase an annuity at an available market rate. Where more than one pension is to be paid, the total of all the pensions cannot exceed the amount of the pension that could have been paid to the Ex-Spouse/Civil Partner.

The terms on which a Dependant's pension is paid are decided by the Trustees but a Dependant's pension must be payable for life, except that a pension paid to a Child must cease when he ceases to be a Child.

F8 Pension Sharing under Scottish law

The Trustees must follow the principles and apply the provisions of this section F of the Rules in relation to the implementation of any Pension Sharing Order which is activated under Scottish law but with the Trustees adapting the provisions of this section as required by Scottish law.

APPENDIX 1

GMP RULES

1. **Contracting-out**

(1) This Appendix sets out the minimum benefits payable to and in respect of a person in Contracted-out Employment between 5 April 1978 and before 6 April, 1997. It overrides any inconsistent provision elsewhere in the Rules except Rules A6, C4 and C9.

(2) In this Appendix-

Contracted-out Employment means employment which is or was contracted-out employment by reference to the Plan for the purposes of Part III of the Pension Schemes Act 1993.

Regulation refers to the Occupational Pension Schemes (Contracting-out) Regulations 1996.

2. **Guaranteed minimum pensions and lump sums**

(1) This paragraph 2 applies to a Beneficiary who has been a Member and has a guaranteed minimum in relation to the pension for him from the Plan in accordance with section 14 of the Pension Schemes Act 1993, or has had his rights to a guaranteed minimum pension transferred to the Plan.

(2) The Beneficiary is entitled to a pension at a rate equivalent to a weekly rate of at least that guaranteed minimum. The pension is payable for life from GMP Age but the start of the pension can be postponed for any period during which the Beneficiary remains in employment after GMP Age:

(a) if the employment is employment to which the Plan relates and the postponement is not for more than five years; or

(b) if the Member consents.

(3) If the Beneficiary is male and dies at any time leaving a widow, she is entitled to a pension at a rate equivalent to a weekly rate of at least one-half of that guaranteed minimum. The pension is payable from the date of the Beneficiary's death for life. However, if the widow is one of two or more widows of valid polygamous marriages, she has no such entitlement unless she is entitled to a Category B retirement pension under the Social Security Contributions and Benefits Act 1992.

(4) If the Beneficiary is female and dies on or after 6 April 1989 leaving a widower, or, if the Beneficiary (male or female) dies leaving a civil partner and in either case the circumstances described in Regulation 57 exist, the widower or surviving civil partner is entitled to a pension at a rate equivalent to a weekly rate of at least one-half of the part of that guaranteed minimum which is attributable to earnings for the tax year 1988/89 and later tax years. The pension is payable from the date of the Beneficiary's death for life.

(5) A pension payable to a Beneficiary under any other provision of the Rules may be offset against his entitlement to a guaranteed minimum pension increased as required by paragraph 3, 4 and 5, except to the extent that:

(a) it includes equivalent pension benefits (as referred to in sections 13(6) and (7) of the Pension Schemes Act 1993), any benefits resulting from his voluntary contributions and any amount resulting from the revaluation requirements of that Act; or

(b) offsetting would contravene paragraph 6.

(6) Notwithstanding the previous provisions of this paragraph, a lump sum may be paid instead of a pension under this paragraph:

(a) if and to the extent permitted by Regulation 60;

(b) if the lump sum is of a type which is permitted by the Rules in relation to other rights under the Plan (referred to in this paragraph as the **corresponding lump sum**);

(c) subject to the consent of the Beneficiary to whom the pension would have been paid if and to the extent that his consent is needed in relation to the provision of the corresponding lump sum; and

(d) subject to payment of the lump sum not causing any maximum amount under the Rules applicable to the corresponding lump sum to be exceeded.

3. **Increases**

The guaranteed minimum pensions referred to in paragraph 2, insofar as they are attributable to earnings in the tax years from and including 1988/89, must be increased in accordance with the requirements of section 109 of the Pension Schemes Act 1993.

4. **Postponed payment**

If the start of a guaranteed minimum pension for a Beneficiary to whom paragraph 2, applies is postponed for any period after GMP Age, it must be increased to the extent (if any) specified in section 15 of the Pension Schemes Act 1993.

5. **Revaluation**

If a Member's Contracted-out Employment ends before GMP Age, his guaranteed minimum at GMP Age or his earlier death is calculated by increasing the guaranteed minimum pension which has accrued up to the date Contracted-out Employment ends by one of the following methods:

(1) The increase is by the rate specified by regulations made under section 16(3) of the Pension Schemes Act 1993 as being relevant at the date Contracted-out Employment ends, for each tax year after that in which Contracted-out Employment ends, up to and including the last complete tax year before GMP Age or earlier death.

(2) The increase is by the percentage by which earnings factors for the tax year in which Contracted-out Employment ends are increased by the last order under section 148 of the Social Security Administration Act 1992 to come into force before the tax year in which the Member reaches GMP Age or dies, if earlier.

The Trustees must decide which of these methods is to apply for the time being. In cases permitted by the Pension Schemes Act 1993 a different method may be selected for accrued rights to a guaranteed minimum pension which are transferred to the Plan.

If the Plan's contracted-out status ends as a result of the liability of all the Employers to pay contributions to the Plan being terminated, the Trustees may decide that another of the methods in sub-paragraphs (1) and (2) is to replace the method in force in respect of all Members whose Contracted-out Employment ends.

6. **Anti-franking**

(1) No part of a Beneficiary's pension from the Plan may be treated as satisfying an obligation to increase the Beneficiary's guaranteed minimum pension under paragraphs 3 or 4, except to the extent permitted by Chapter III of Part IV of the Pension Schemes Act 1993.

(2) The pension payable to a Beneficiary from the Plan must not be less than any minimum applicable at the relevant time under Chapter III of Part IV of the Pension Schemes Act 1993.

7. **Franking minimum**

At any time after a guaranteed minimum pension starts to be paid to a Beneficiary under the Plan, his pension must not be less than any applicable minimum under Chapter III of Part IV of the Pension Schemes Act 1993 (a **franking minimum**).

8. **Application of franking minimum**

A franking minimum applies in the case of a Member (unless he takes an early retirement pension or an alternative to a deferred pension) if:

(a) there is an interval between the date on which his Contracted-out Employment ends and the date on which his guaranteed minimum pension under the Plan starts to be paid;

(b) his pension entitlement under the Rules (disregarding this Appendix), calculated at the date on which his Contracted-out Employment ends, exceeds his guaranteed minimum on the day after that date; and

(c) when his guaranteed minimum pension starts to be paid, or at any later time, it exceeds his guaranteed minimum under the Plan on the day after his Contracted-out Employment ends.

9. **Franking minimum – spouses/civil partners**

A franking minimum applies in the case of a Member's widow or widower or civil partner if:

(a) there is an interval between the date on which the Member's Contracted-out Employment ends and the earlier of the date on which his guaranteed minimum pension under the Plan starts to be paid and the date of his death;

(b) the amount of the pension to which the widow or widower or civil partner would have been entitled under the Plan, calculated on the assumptions referred to below, exceeds one-half of the Member's guaranteed minimum on the day after the date on which his Contracted-out Employment ends; and

(c) when a pension under the Plan starts to be paid to the widow or widower or civil partner or at any later time the widow's or widower's or civil partner's guaranteed minimum under the Plan exceeds one half of the Member's guaranteed minimum on the day after his Contracted-out Employment ended.

The assumptions referred to in (b) above are (i) that the Member had died on the day after his Contracted-out Employment ended, (ii) that the Member was married to or in a civil partnership with, on the day after his Contracted-out Employment ended, the person to whom he was married or in a civil partnership with on the date of his death and (iii) the further period of Pensionable Employment which the Member would have completed if he had remained in Pensionable Employment up to Normal Pension Age is ignored.

10. Contributions equivalent premium

If an Employer pays a contributions equivalent premium in respect of a Beneficiary the Trustees must, at the request of that Employer, pay to it an amount not greater than that premium.

APPENDIX 2

PROTECTED RIGHTS RULES

Part 1: Operation of Protected Rights Rules from 6 April 2012

1. **Definitions**

Money Purchase Contracted-out Employment means employment at any time in the period starting on 6 April 1997 and ending on 5 April 2012 during which a Member was in contracted-out employment by reference to the Plan on a money purchase (protected rights) basis as set out in Part 2 of this Appendix.

Pre-2012 Protected Rights Rules means the Protected Rights Rules in this Appendix as they applied immediately before 6 April 2012.

2. Subject to rule 3 below, the Pre-2012 Protected Rights Rules ceased to apply to Members and Beneficiaries on 5 April 2012 and all Protected Rights ceased to have protected status.

3. This Appendix applies to a Member who was in Money Purchase Contracted-out Employment and on 5 April 2012 had an amount standing to the credit of a Protected Rights Account in accordance with the Pre-2012 Protected Rights Rules. On and after 6 April 2012, the Trustees may, at their discretion, either

   (a) apply the Pre-2012 Protected Rights Rules to the extent necessary to comply with applicable legislation in relation to what was previously a Member's Protected Rights Account, or

   (b) remove the Pre-2012 Protected Rights Rules and replace them with alternative provisions to ensure that they comply with applicable legislation in relation to what was previously a Member's Protected Rights Account.

Part 2: Pre-2012 Protected Rights Rules

1. **Definitions**

In these Protected Rights Rules words defined in Rule A3 have the same meanings (unless otherwise stated below) and additionally:

1993 Act means the Pension Schemes Act 1993.

1995 Act means the Pensions Act 1995.

Actuary means a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries or a person with other actuarial qualifications who is approved by the Secretary of State, at the request of the Trustees, as being a proper person to act in this capacity.

Commencement Date means the date from which the pension provided from the Member's Protected Rights Account will be paid to the Member. This is the date which the Member's pension is payable under the Plan or purchased by way of an immediate annuity but must not be later than his 65th birthday unless he has agreed a later date.

Dependent Children means a child (or children) for whom the Member, in the case of Rule 5, or, his widow, widower or civil partner, in the case of Rule 6, was entitled to child benefit (within the meaning of the Social Security Contributions and Benefits Act 1992) before the Member died (or would have been entitled if the child had been in Great Britain).

Insurer means an insurer who satisfies the requirements of Regulation 11.

Member means an individual who is in contracted-out employment in relation to the Plan and who has a Protected Rights Account, or an individual who has a Protected Rights Account in the Plan in respect of previous membership of the Plan or another scheme.

Money Purchase Benefits means benefits calculated by reference to payments made by, or in respect of, a Member. It does not include benefits calculated by reference to the Member's final or average salary.

Protected Rights and **Protected Rights Account** are defined in Rule 3.

Regulations mean the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996 and Regulation refers to the applicable one of those Regulations.

Rule (followed by a number) means the applicable rule in these Protected Rights Rules.

Section 9(2B) Rights means rights arising from an occupational pension scheme which are:

(a) rights to the payment of pensions and accrued rights to pensions other than rights which relate to voluntary contributions paid by an employee under a scheme contracted-out by virtue of section 9(2B) of the 1993 Act, so far as attributable to pensionable service in contracted-out employment after 5 April 1997; and

(b) where a transfer payment has been made to such a scheme any rights arising under the scheme as a consequence of that payment which are derived directly or indirectly from:

    (i) such rights as are referred to in (a) above under another scheme contracted-out by virtue of section 9(2B) of the 1993 Act, or

    (ii) Protected Rights under another occupational pension scheme or a personal pension scheme which are attributable to payments or contributions in respect of employment after 5 April 1997.

    Rights arising under a scheme which is contracted-out on both the salary related and the money purchase basis are only Section 9(2B) Rights to the extent that they arise from the salary related contracted-out part of the scheme.

Secretary of State means the appropriate Secretary of State for the purposes of the PR Regulations.

2. Minimum payments

(1) Minimum payments, within the meaning of section 8 of the Pension Schemes Act 1993, will be paid to the Plan in respect of all Members who are in contracted-out employment in relation to the Plan. They are inclusive of any amounts deducted from Members' earnings and paid by the Employer to the Plan as described in Rule 2(2).

The minimum payments under this Rule 2 will be contributed by the Employer except that, if the rules of the Plan require a Member to contribute to the Plan, the amount of that contribution up to the Member's share of minimum payments must be deducted by the Employer from that Member's earnings and paid to the Plan as part of the minimum payments. A Member's share of minimum payments is the amount by which his National Insurance contributions on his earnings from the

Employer are less than would have been the case if he had not been contracted-out. (Other contributions by Members will be paid by deduction from earnings or otherwise as described in the rules of the Plan.)

(2) Other employee contributions do not count as minimum payments. These Protected Rights Rules only apply to them if the rules of the Plan say it applies to all payments to the Plan. But even if the Protected Rights Rules do not apply to other employee contributions, those contributions must be invested so as to provide Money Purchase Benefits unless the rules of the Plan provide that those contributions shall entitle the Member to benefits which are not Money Purchase Benefits and such benefits are paid in addition to the benefits derived from minimum payments.

(3) No refund of Member's contributions will be made in respect of contracted-out membership after 5 April 1997 to the extent that those contributions represent minimum payments.

(4) Minimum payments as described in Rule 2 shall be invested on behalf of the Member to which they relate within one month of the end of the income tax month to which they relate.

3. **Members' Protected Rights**

(1) Payments to which the Protected Rights Rules apply

These Protected Rights Rules apply to the following payments made to the Plan in respect of a Member and the benefits resulting from those payments:

(a) Minimum payments as described in Rule 2; and

(b) Payments under section 42A(3) of the 1993 Act; and

(c) Incentive payments made under section 7 of the Social Security Act 1986 and regulation 3(10) of the Personal and Occupational Pension Schemes (Incentive Payments) Regulations 1987; and

(d) Transfer payments received under Rule 9 covering Protected Rights or guaranteed minimum pensions or Section 9(2B) Rights under other occupational or personal pension schemes or under insurance policies or annuity contracts of the type described in section 19 or 32A of the 1993 Act; and

(e) Payments of minimum contributions by the Secretary of State made under regulation 12(5) of the Personal Pension Schemes (Appropriate Schemes) Regulations 1997; and

(f) Payments in respect of such other rights, not covered above, as may be prescribed under section 10(2)(c) of the 1993 Act.

(2) Payments to which the Protected Rights Rules do not apply

Any payments other than those specified in Rule 3(1) (and the benefits resulting from such payments) are not subject to the Protected Rights Rules unless the rules of the Plan specifically state otherwise.

(3) Money Purchase Benefits

The payments to which the Protected Rights Rules apply and their proceeds under the Plan must be used to provide the Member with Money Purchase Benefits except insofar as they are used to meet administrative expenses of the Plan and to pay commission.

The Member's rights to these benefits are called his **Protected Rights**. The Plan account representing these Protected Rights is referred to in these Protected Rights Rules as his **Protected Rights Account**.

(4) Calculation

The value of a Member's Protected Rights Account must be calculated in a way approved by the Trustees. It must be at least as favourable as the way in which any other Money Purchase Benefits of the Member in the Plan are calculated. It must also be consistent with the requirements set out in the rest of these Protected Rights Rules. Where the valuation of a Protected Rights Account involves making estimates of the value of benefits, then the manner of calculation must be approved by an Actuary. The methods and assumptions used must be either determined by the Trustees, or notified to them by an Actuary and must in either case be certified by an Actuary to be consistent with the relevant requirements of the 1993 Act, and with Retirement Benefit Schemes - Transfer Values (GN11) published jointly by the Institute of Actuaries and the Faculty of Actuaries and current when the calculation is being made. The Trustees must keep such records as will enable the amount of the Member's Protected Rights to be calculated at any time.

(5) Overriding Effect

So far as Protected Rights are concerned these Protected Rights Rules override any inconsistent provisions elsewhere in the Plan.

(6) Investment of Section 42A(3) amounts

Payments received by the Plan under Section 42A(3) of the 1993 Act (as referred to in Rule 3(1)(b)) shall be invested on behalf of the Member to which they relate within one month of the date of payment by the Secretary of State.

4. **Pension for Member**

(1) When Pension is paid

The pension from a Member's Protected Rights Account becomes payable at the Commencement Date.

(2) Providing the Pension

When the Member reaches the Commencement Date his Protected Rights Account will be used to provide a pension for life, subject to Rules 4(5) and (7).

The pension must be one offered without regard to the sex of the Member either in making the offer or in calculating the amount of the pension and on the basis that the Member will, in the event of his death, leave a widow, widower or surviving civil partner except in the case of a Member who is neither married nor a civil partner, if the Trustees and Member have agreed to the rate being determined on the Member's life only.

The pension must meet requirements of Regulation 4 as regards payment of and increases to the pension and all other relevant requirements of that Regulation. Subject to those requirements, if the pension is being provided by the Plan, it will be paid as provided in the rules of the Plan.

In addition, the benefits payable in respect of a Member under the rules of the Plan (attributable to Employment after 6 April 1997) shall be reduced in value by an amount, as determined by the Trustees on the advice of the Actuary, equal to the amount of any age-related payment due to be made by the Secretary of State under Section 42A(3) of the 1993 Act, which relates to the Member's contracted-out employment under the Plan but which will not be paid to the Trustees in accordance with Regulation 37 of the Occupational Pension Schemes (Contracting-out) Regulations 1996.

(3) Member's right to choose

The Member has the right to choose any Insurer or the Plan to provide the pension. If the Member decides to choose an Insurer, he must tell the Trustees in writing which Insurer he has chosen at least one month, but not more than six months, before the Commencement Date.

If the Member agrees to the pension becoming payable at a later date than age 65 and there is less than one month between the date on which he agrees to a later date and that later date, then he can only choose an Insurer by telling the Trustees so in writing on the same day as he agrees to the later date. The Trustees may allow any Member a longer period in which to make his choice.

(4) Trustees' Choice

Unless the Plan is providing the pension, if the Member does not choose an Insurer by writing to tell the Trustees by the latest date permitted under Rule 4(3), the Trustees will choose an Insurer.

(5) Form of Pension

Unless the pension is restricted to the Member's life in accordance with Rule 4(2), the pension will include provision for benefits after the Member's death as described in Rule 5. Where that allows alternative benefits, then a Member who chooses an Insurer may at the same time choose which alternatives apply. If the Trustees choose an Insurer, they may allow the Member to choose the alternatives or the Trustees may choose the alternatives. If the pension is provided by the Plan, the alternatives applying will be those which the Trustees agree to provide.

(6) Reduction of Plan Pension

If the Plan provides a pension under this Rule 4, or an Insurer is chosen to provide that pension, the total pension provided by the Plan is reduced accordingly.

5. **Member dies after pension starts**

(1) Widow's or Widower's or Civil Partner's Pension

The pension provided from a Member's Protected Rights Account will include provision for a pension to continue to be paid to any widow or widower or surviving civil partner (unless the Member and Trustees agreed otherwise in accordance with Rule 4(2)). Subject to Rule 5(5), the widow's or widower's or civil partner's, pension will be half the amount that would have been payable if the Member had survived.

(2) Duration of Pension

The widow's, widower's or surviving civil partner's pension will be paid for life unless provision is made for it to stop if the widow, widower or civil partner marries or forms a civil partnership before reaching State Pension Age.

(3) No Widow or Widower or Surviving Civil Partner but Dependant

The pension provided from a Member's Protected Rights Account may (but need not) be on terms that, if the Member does not leave a widow, widower or surviving civil partner, then a pension will be paid to a Dependant of the Member. Subject to Rule 5(5), the Dependant's pension will be not more than half the amount that would have been payable if the Member had survived.

(4) No Widow or Widower or Surviving Civil Partner but Dependent Children

The pension provided from a Member's Protected Rights Account may (but need not) be on terms that, if the Member does not leave a widow, widower or civil partner and no Dependant's pension is to be provided, but he does leave a Dependent Child or Dependent Children, a pension will be paid for the benefit of that child or those children.

Subject to Rule 5(5), the amount paid as pension for the child(ren) will not be more than half the amount that would have been payable if the Member had survived. The pension will be paid only so long as at least one Dependent Child is under age 18.

(5) 5 Year Guarantee

The pension provided from a Member's Protected Rights Account may (but need not) be on terms that it will in any event be paid for up to five years. Then, if the Member dies during the five years, any survivor's pension payable may be an amount up to the amount of the pension payable to the Member until the end of the five years, after which it will not be more than half the amount that would have been payable if the Member had survived. If a pension guarantee applies a pension of an amount up to the amount of the Member's pension will still be paid for the rest of the five years, even if no survivor's pension is payable, or the survivor's pension ceases to be payable before the end of the five years. In these circumstances, the pension will be paid to another individual, or to the estate of the Member or of another individual who dies after the Member (and the recipient may vary from time to time during the payment period).

(6) Reduction of Plan Pension

Any pension provided by the Plan in the circumstances covered by this Rule 5 is reduced by the amount of any pension paid under this Rule.

6. **Member dies before pension starts**

(1) Widow's or Widower's or Surviving Civil Partner's Pension

If a Member dies before his pension under Rule 4 starts, the Trustees must take reasonable steps to find out whether the Member is survived by a widow, widower or civil partner.

If the Trustees discover that the Member is survived by a widow, widower or civil partner then, as soon as is practicable, the Member's Protected Rights Account must be used to provide the widow, widower or surviving civil partner with a pension from the Plan, or if the Trustees determine, the purchase of an annuity in accordance with this Rule and Regulation 12 or a lump sum in accordance with that Regulation.

(2) Duration of Pension

The widow's, widower's or surviving civil partner's pension will be paid for life unless provision is made for it to stop if the widow, widower or surviving civil partner marries or forms a civil partnership before reaching State Pension Age.

(3) Child's Pension

The pension bought with or provided from a Member's Protected Rights Account may (but need not) be on terms that, if the widow, widower or civil partner is still receiving a pension when she or he dies and leaves a Dependent Child or Dependent Children, the pension will continue for the benefit of that child or those children). The amount paid as pension for the child(ren) will not be more than the widow's, widower's or civil partner's pension would have been if she or he had survived. It will continue to be paid only so long as at least one Dependent Child is under age 18.

(4) 5 Year Guarantee

The pension bought with or provided from a Member's Protected Rights Account may (but need not) be on terms that if the widow, widower or civil partner dies within five years of the pension commencing (or if the pension continues under Rule 6(3) but the last Dependent Child dies or reaches age 18 within five years of the pension commencing), the pension will continue to be paid for the rest of the five years to another individual or to the estate of the Member or of another individual who dies after the Member (and the recipient may vary from time to time during the payment period).

(5) Widow, Widower or Civil Partner dies before Pension starts

If the widow, widower or surviving civil partner dies before the pension is provided, the Trustees will pay the value of a Member's Protected Rights Account in accordance with any direction given by the Member in writing. If there has been no direction given, the value will be paid to the Member's estate.

(6) No Widow or Widower or Civil Partner

If the Trustees decide that the Member died without leaving a widow, widower or surviving civil partner, then as soon as practicable the Trustees will pay the value of a Member's Protected Rights Account in accordance with any direction given by the Member in writing. If there has been no direction given the value will be paid to the Member's estate.

(7) Reduction of Plan Pension

Any pension or lump sum provided by the Plan in the circumstances covered by this Rule 6 is reduced by the amount of any pension or lump sum paid under this Rule.

7. **Provision of a lump sum**

(1) In addition to the ways of giving effect to Protected Rights set out in these Protected Rights Rules, a Member's Protected Rights Account may be applied to provide a lump sum. The lump sum must be of a type which is permitted by the rules of the Plan in relation to other rights under the Plan. The payment of the lump sum must be an Authorised Payment. The lump sum must also satisfy the restrictions applicable to its type as prescribed under the PR Regulations.

(2) In the case of a pension commencement lump sum, the maximum payment which may be taken from the Member's Protected Rights Account by way of a pension commencement lump sum is as set out in Regulation 8(ID) of the PR Regulations.

(3) A Beneficiary's consent will be needed to the payment of a pension commencement lump sum and, as regards other lump sums, if and to the extent that his consent is needed under the rule of the Plan applicable to the type of lump sum being paid.

8. **Transfer of a Protected Rights Account out of the Plan**

(1) Conditions for Transfer of a Protected Rights Account

A transfer payment made out of the Plan under the rules of the Plan may only include a Member's Protected Rights Account if the following conditions are fulfilled. These conditions depend on the type of scheme to which a transfer is being made:

(a) **All schemes**

The Member must consent to the transfer except where consent is not required by the Protected Rights (Transfer Payment) Regulations 1996.

The receiving scheme must be an appropriate personal pension scheme, a contracted-out occupational pension scheme or an overseas occupational pension scheme.

The transfer payment must be of an amount at least equal to the cash equivalent of the Member's Protected Rights Account calculated and verified in a manner consistent with regulations made under section 97 of the 1993 Act.

(b) **Appropriate personal pension schemes and occupational pension schemes which are contracted-out by the money purchase test**

The transfer payment must be applied by the receiving scheme in providing Money Purchase Benefits for and in respect of the Member.

(c) **All occupational pension schemes (except overseas schemes not covered by (b) or (d) or (e))**

The Member must have entered employment with an employer which is a contributor to the receiving scheme or be a former member of the receiving scheme.

(d) **Occupational pension schemes other than schemes which are contracted-out by the money purchase test**

The receiving scheme must (subject to the requirements of Regulation 4(d) of the Protected Rights (Transfer Payment) Regulations 1996) provide rights for the Member which, had they accrued in the receiving scheme, would be provided in accordance with the rules of the receiving scheme relating to earners who are in employment which is contracted-out in relation to the receiving scheme or have been in employment which was so contracted-out.

(e) **Overseas occupational pension schemes not covered by (b) or (d) above**

The Member must have acknowledged in writing that he accepts that the scheme to which the transfer payment is to be made may not be regulated in any way by the law of the United Kingdom and that as a consequence there may be no obligation under that law on the receiving scheme or its trustees to provide any particular value or benefit in return for the transfer payment.

The Trustees must have taken reasonable steps to satisfy themselves that the earner has emigrated on a permanent basis and, where the receiving scheme is an occupational pension scheme, that he has entered employment to which the receiving scheme relates.

The Trustees must have taken reasonable steps to satisfy themselves that the Member has received a statement from the receiving scheme showing the benefits to be awarded in respect of the transfer payment and the conditions (if any) on which these could be forfeited or withheld.

(2) Discharge of Protected Rights

Where a Member's Protected Rights Account is transferred in accordance with this Rule, the Member will cease to have any Protected Rights under the Plan and the Trustees will be discharged from any obligation to give effect to those Protected Rights.

9. Transfer into the Plan

The Trustees must use that part of any transfer payment representing Protected Rights or accrued rights to guaranteed minimum pensions or Section 9(2B) Rights to provide the Member with Protected Rights under the Plan. The rest of the transfer payment will only be used to provide Protected Rights if the rules of the Plan say that these Protected Rights Rules apply to all payments to the Plan.

10. General provisions about benefits

(1) Beneficiary unable to act

If the Trustees believe that a person entitled to payment of a Member's Protected Rights Account or of a pension provided with those assets is unable to act by reason of mental disorder, payments which are or become due to that person of a Member's Protected Rights Account or of a pension provided from that account may be suspended. The value of the suspended payments must, except where in the opinion of the Trustees they are not required for the maintenance of that person, be made for his maintenance. In so far as such sums are not, in the opinion of the Trustees required for the maintenance of that person, they may be used for the maintenance of any Dependants of that person. Where a payment is not made for the maintenance of that person or for any of his Dependants, the sums must be held by the Trustees for that person until he is again able to act or, if he should die before that happens, for his estate.

(2) Prison

If a person entitled to benefit is serving a period of imprisonment or detention in legal custody, payments which are or become due to that person of a Member's Protected Rights Account or of a pension provided from that account may be suspended. The value of the suspended payments must be used for the maintenance of one or more of that person's dependants as the Trustees may determine.

(3) Whereabouts Unknown

Any payment due to any person of a Member's Protected Rights Account or of the pension provided from those assets may be forfeited if at least six years have passed from the date the payment became due and the address of the person is not known to the Trustees.

11. Enforceability

The Trustees may only buy a pension from an Insurer with a Member's Protected Rights Account if the Trustees are satisfied that any person who is or may be entitled to payment of that pension may enforce that entitlement:

(a) under a trust; or

(b) under a deed poll; or

(c) under Scottish law.

12. **Power to alter Protected Rights Rules**

The persons or bodies having the power of alteration in relation to the rules of the Plan may at any time in writing make any alteration to these Protected Rights Rules necessary to comply with the contracting-out requirements of the 1993 Act applicable to contracted-out money purchase schemes. The Protected Rights Rules will only apply for so long as anyone continues to have Protected Rights under the Plan. This power of alteration may be exercised by them without any condition and is additional to, and independent of, any other power or alteration in relation to the Plan.

13. **Plan ceases to be a contracted-out money purchase scheme**

If the Plan ceases to be contracted-out by the money purchase test, the Trustees will inform Members of their rights and options as required by law and take such steps in order to comply with the applicable provisions of Part III of Chapter III of the 1993 Act.

14. **Investments**

The Trustees will secure that the Plan complies with the restrictions prescribed under section 40 of the 1995 Act with respect to the proportion of its resources which may at any time be invested in, or in any description of, employer-related investments as defined in that section.

APPENDIX 3

FINANCE ACT – LIMITS ON BENEFITS AND TRANSITIONAL PROVISIONS

In this appendix references to sections and Schedules are to those in the Finance Act.

1. **Limits on benefits**

The Principal Employer may from time to time decide that any of the limits contained in the rules of the Plan in force on 5 April 2006 for the purpose of Pre-6 April 2006 Tax Approval will continue to apply to any or all Beneficiaries (in addition to those to whom they apply as stated in Rule A2 and notwithstanding that those limits have ceased to be HMRC requirements).

2. **Minimum Pension Age**

A pension cannot be paid to a Member under the Plan before he has attained Minimum Pension Age except when the ill-health condition in paragraph 1 of Schedule 28 and the applicable provisions of the Rules are satisfied.

3. **Transitional protection**

To the extent that a Member is entitled to pre-commencement benefit rights under Part 3 of Schedule 36 when the relevant benefit crystallises, he will retain his entitlement subject to the applicable provisions of that Part.