RULES
OF
THE AVON RUBBER RETIREMENT AND DEATH BENEFITS PLAN

Avon Rubber p.l.c. (1)
and
Avon Rubber Pension Trust Limited (2)

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THESE RULES are made as a deed on 2009 by

(1) **Avon Rubber p.l.c.** (Company number 0032965) whose registered office is at Corporate Headquarters, Hampton Park West, Melksham, Wiltshire SN12 6NB ("the Principal Employer"); and

(2) **Avon Rubber Pension Trust Limited** (Company number 1473599) whose registered office is at Hampton Park West, Melksham, Wiltshire SN12 6NB ("the Trustee").

### 1 BACKGROUND

1.1 The Plan was established with effect from 1 April 1947. These Rules entirely replace the existing deeds and rules of the Plan with effect from and including 1 October 2009.

1.2 The adoption of these Rules will not invalidate any act, omission or decision done or made by the Trustee, the Principal Employer or any other Employer before the date of their adoption if such act, omission or decision was done or made in accordance with the deeds and rules governing the Plan at the time.

1.3 Subject to Rule 1.4, the adoption of these Rules will not operate or have effect to increase or reduce the amount of the benefits payable to or in respect of any Member who has ceased to be in Active Membership before the date of adoption. The amount of the benefits to which they are entitled or which have accrued to or in respect of them under the Plan shall remain unchanged. However, the options for drawing benefits under these Rules shall (where no worse) apply to such Members.

1.4 Rule 1.3 does not prevent any reduction being made in accordance with Rule 78 (Order of Priority on Winding Up) or Rule 76 (Termination of the Defined Benefits Section or the Defined Contribution Section).

1.5 The Trustee is satisfied that the adoption of these Rules will not make any changes to the Plan that are regulated modifications within the meaning given by section 67A of PA1995. That said, these Rules shall not take effect if and to the extent that they purport to make any such modifications.

1.6 The Plan comprises two sections, a defined benefit section and a defined contribution section. The defined benefit section is contracted-out on a money purchase basis under the PSA although at the date of these Rules it is anticipated that it will cease to be contracted-out on 30 September 2009.

### 2 INTERPRETATION

2.1 Definitions of particular words and phrases are set out in Appendix 1 to these Rules.

2.2 The masculine includes the feminine and the neuter unless the context shows that this is not intended.

2.3 References to statutes include modifications and re-enactments, and any regulations that go with them.

2.4 If a sub-Rule or any group of sub-Rules appear under a heading "Defined Benefit Section" or "Defined Contribution Section" they shall only apply in respect of the named section and not the other one. Any sub-Rules appearing under the heading "Both Sections" or "General" shall apply in respect of both sections.
MEMBERSHIP

3 MEMBERSHIP OF THE PLAN

Defined Benefit Section

3.1 The Defined Benefit Section closed to new Members after 30 June 2003. As the result of changes to the employment contracts of Active Members of the Defined Benefit Section, all Active Membership under the Defined Benefit Section will cease on 30 September 2009.

Defined Contribution Section

3.2 An Employee (for the avoidance of doubt including an Employee who was an Active Member of the Defined Benefit Section immediately before 1 October 2009) is eligible to join the Defined Contribution Section if he satisfies all the conditions applicable to join a Category (see paragraph 1 of Schedule 1, Schedule 2, or Schedule 3 as appropriate).

3.3 An application to join the Defined Contribution Section by an eligible Employee must be made in the form required by the Trustee, and the Employee must provide any information that the Trustee reasonably requests.

3.4 On acceptance of his application by the Trustee, the Employee shall join the Defined Contribution Section as a Main Category Member with effect from the date of application unless the Principal Employer has identified him as an Executive Employee or a Senior Executive Employee, in which case he shall join that other Category.

3.5 The Principal Employer may vary the requirements of this Rule for any Employee or class of Employees.

Both Sections

3.6 An Employee who is eligible under this Rule or was eligible to join the Defined Benefit Section under previous provisions of the Plan, but who did not join the Plan at his first opportunity may join the Defined Contribution Section subsequently but only with the specific permission of the Trustee and the Principal Employer and on such terms and conditions as the Trustee may decide.

3.7 If a Member opts out of Active Membership of the Plan he may re-join the Defined Contribution Section only with the consent of the Trustee and Principal Employer and on such terms and conditions as the Trustee may decide.

3.8 Subject to the provisions of Rule 7 (Family Leave), if a Member rejoins the Plan after a break in Service, each period of Pensionable Service will normally be treated separately. However, two periods of Pensionable Service in the Defined Benefit Section may have been treated as continuous by the Trustee if the Principal Employer so agreed and the Employer paid any additional contributions that the Trustee considered appropriate. In particular, it was agreed that any Active Member on 4 January 2001 who had a deferred pension relating to a period of Pensionable Service ending before 1 January 1986 should have the two periods of Pensionable Service treated as continuous.

4 TERMINATION OF MEMBERSHIP

Defined Benefit Section

4.1 As the result of changes to the employment contracts of Active Members of the Defined Benefit Section, all Active Membership under the Defined Benefit Section will cease on 30 September 2009 in accordance with rule 14 of the rules of the Plan in force immediately prior to the date of execution of these Rules.
Accordingly, all Active Members of the Defined Benefit Section on 30 September 2009 will be treated for the purposes of the Defined Benefit Section as ceasing Pensionable Service on that date.

**Defined Contribution Section**

4.3 A Member will cease to be an Active Member of the Defined Contribution Section if:

(a) he ceases to be a permanent Employee for any reason; or

(b) he transfers to Service which does not fulfil the eligibility condition set out in paragraph 1(a) of the Schedule applicable to his Category, unless he transfers to another Category of Membership or the Principal Employer exercises any discretion under paragraph 2 of the Schedule applicable to his Category; or

(c) his employment contract is varied so that he is no longer eligible for Active Membership of the Plan; or

(d) he becomes a Cross-Border Employee; or

(e) he opts out of Active Membership under Rule 4.5.

4.4 A Member who ceases to be eligible under Rule 4.3(b) or 4.3(c) will be treated as leaving Service on ceasing to be eligible, except that a Member with a preserved pension may not choose an early pension under Rule 28 (Choice of Early Pension) before the earlier of actually leaving Service and the day before reaching age 75.

4.5 An Employee may opt out of Active Membership of the Plan and remain in Service, by giving the Employer and the Trustee not less than one month’s written notice to the Employer and the Trustee. The Employee will be treated as leaving Service on the day the notice expires, except that Rule 27 (Leaving Early / Opting Out While Remaining an Employee) shall apply in determining the options and benefits available to the Member.

**REMAINING IN PENSIONABLE SERVICE DURING ABSENCE**

5.1 This Rule 5 and Rule 5.6 are subject to Rule 7 (Family Leave).

5.2 The general rule is that a Member who is absent from work will remain in Pensionable Service for so long as the Member receives contractual pay or statutory sick pay.

5.3 In addition, the Employer may require the Trustee to treat any Member who is absent from work due to injury or ill-health, or for any other reason (except secondment) as remaining in Pensionable Service for so long as it thinks fit.

5.4 In addition, the Principal Employer and the Trustee may agree to treat any Member who is on secondment as remaining in Pensionable Service for so long as they think fit and provided that the Member is not a Cross-Border Employee.

5.5 A Member who is treated as remaining in Pensionable Service under the above provisions of this Rule shall be treated as having left Service on the expiry of the relevant period. A Member who is not treated as remaining in Pensionable Service will be treated as having left Service.

5.6 The Employer shall have proper regard to the Disability Discrimination Act 1995 in exercising its powers and functions under this Rule 5.

**BENEFITS AND CONTRIBUTIONS DURING ABSENCE**

6.1 This Rule is subject to Rule 7 (Family Leave).

6.2 The general rule is that benefits and contributions continue as normal during the absence from work of a Member whilst he is treated as remaining in Pensionable Service.
6.3 Unless the Employer and Trustee decide otherwise, death benefits shall continue to be provided in respect of the Member during any period of absence from work, which shall be based on the death benefits that would have been payable if the Member was at work.

7 FAMILY LEAVE

7.1 A Member shall be deemed to be an Active Member while he or she is absent from work:

(a) on ordinary maternity leave,
(b) on ordinary adoption leave,
(c) on paternity leave and is receiving statutory maternity pay or contractual pay,
(d) on additional maternity leave and is receiving statutory or contractual pay,
(e) on additional adoption leave and is receiving statutory or contractual pay,
(f) on parental leave and is receiving contractual pay, or
(g) on any other kind of family leave and is receiving contractual pay.

7.2 Except in the case of parental leave and any other kind of family leave (items (f) and (g)), benefits for the period shall be based on the pay that the Member would have received if he had been working normally. The Member's contributions shall be based on the pay (if any) he actually receives, but the Employer's contributions shall be based on the pay that the Member would have been receiving if he had been at work.

7.3 In the case of parental leave and any other kind of family leave (items (f) and (g)), both benefits and the Member's contributions shall be based on the pay (if any) he actually receives.

7.4 Subject to Rule 7.5, if a Member comes to the end of one of the forms of family leave listed in Rule 7.1 without either returning to work under a legal right to do so or immediately beginning another form of leave on the list, she shall be treated as having left Service at the end of the family leave. However, if a Member begins additional maternity leave or additional adoption leave that is unpaid and would otherwise have been treated as having left Service, but returns to work after such a period of leave under a legal right to do so, her period of employment before her leave will be treated as continuous with her period of employment after her return to work and her Pensionable Service shall also be treated as continuous, but excluding the period of unpaid leave.

7.5 The Principal Employer and Trustee may agree to treat a Member as still in Service for some or all purposes of the Plan even during absence after the end of the period or periods of family leave covered under Rule 7.1. The Principal Employer and Trustee will agree terms to apply to the Member's contributions and benefits (including death benefits) for this further period.

7.6 "Ordinary maternity leave", "additional maternity leave", "ordinary adoption leave" and "additional adoption leave" are defined in the Employment Rights Act 1996. "Paternity leave" and "parental leave" are defined in regulations made under that Act.
FUNDING AND CONTRIBUTIONS

8 STATUTORY FUNDING DOCUMENTATION

Defined Benefit Section

8.1 If it is required to do so under Part 3 of the PA2004, the Trustee shall prepare, review from time to time, and if necessary revise:

(a) a statement of funding principles;
(b) a schedule of contributions.

8.2 If the Trustee determines following an actuarial valuation that the statutory funding objective was not met it shall prepare a recovery plan setting out the steps to be taken to meet that objective and the period over which they are to be taken or shall review and if necessary revise any such existing recovery plan. The Trustee will send a copy of the recovery plan to the Regulator within a reasonable period after it is prepared, accompanied by the schedule of contributions and such information as is prescribed by Part 3 of the PA2004.

8.3 The Trustee shall obtain such advice from the actuary and such consents from the Employers as may be required to comply with Part 3 of the PA2004.

8.4 The schedule of contributions must satisfy the requirements specified by Part 3 of PA2004 and be certified by the actuary in the manner prescribed by Part 3 of the PA2004.

9 MEMBER CONTRIBUTIONS

Defined Contribution Section

9.1 Subject to Rules 5 to 7 (relating to absence), each Member of the Defined Contribution Section must pay contributions to the Plan for so long as he remains an Active Member. The Member may select the rate of Pensionable Salary at which he contributes, but it cannot be less than 2.5%. The rate selected must be a whole multiple of 2.5%.

9.2 A Member may increase or decrease the rate of his contributions under Rule 9.1 once a year on 1st April by giving one month’s written notice to the Trustee in such form as it may require.

9.3 A Member’s contributions will be deducted from his pay by his Employer, unless the Trustee arranges to collect them in some other way. The Employer must pay the contributions at such intervals as may be arranged between the Trustee and the Employer and within the period prescribed in the Pensions Acts.

9.4 If a Member’s total contributions do not attract tax relief, the Trustee may at the Member’s request refund the Member’s contributions to the extent that tax relief is not available, if and to the extent that the payment is an Authorised Payment. The Trustee may (but is not obliged to) pay interest on such a refund at such rate as it decides, or may adjust it to take account of investment returns calculated in such manner as it decides, but in either case only to the extent that the resulting payment would be a Scheme Administration Member Payment. Before making any payment under this Rule, the Trustee may deduct any tax for which it may be liable in respect of it.

10 ADDITIONAL VOLUNTARY CONTRIBUTIONS

Both sections

10.1 A Member in Pensionable Service may have paid AVCs before 1 October 2009 in order to provide benefits additional to those provided for him under the other provisions of the Plan. No AVCs may be paid on or after 1 October 2009.
10.2 The Trustee shall from time to time select how Members’ AVCs are invested, in accordance with its powers of investment under Rule 48 and any other powers.

10.3 The Trustee shall provide benefits from the proceeds of a Member’s AVCs that are equivalent on a money purchase basis to the accumulated value of the AVCs, and will comply so far as possible with any wishes made known by the Member in writing to the Trustee. Any pension to be paid to a Member or any Dependents of the Member from his AVCs shall be secured by Lifetime Annuity or Dependents’ Annuity (as the case may be) unless the Trustee decides with the agreement of the Principal Employer to make arrangements to secure payment of such pension by the Plan. Payment of such pension from the Plan shall only be permitted if the Member or the Dependant has had an opportunity respectively to select a Lifetime Annuity or Dependents’ Annuity instead. A lump sum may be paid on death, or on retirement if it qualifies as a Pension Commencement Lump Sum (together with any lump sum being provided at the same time under Rule 17.1 (Lump Sum on Retirement)). All benefits provided under this Rule must be Authorised Payments.

10.4 Any lump sum payable under this Rule on the death of a Member shall, unless otherwise notified in writing to the Member during his lifetime, be payable under Rule 21 (Payment of Death Lump Sums).

11 EMPLOYER CONTRIBUTIONS

Defined Benefit Section

11.1 Each Employer must contribute to the Plan in respect of Members of the Defined Benefit Section who are or have been employed by it at such rate (including reasonable expenses) as after considering actuarial advice the Principal Employer and the Trustee agree from time to time.

11.2 If the Trustee is required to prepare a schedule of contributions under Rule 8 (Statutory Funding Documentation), the Employers must contribute to the Plan amounts which are at least in accordance with the schedule of contributions.

Defined Contribution Section

11.3 Each Employer must contribute to the Plan in respect of Members of the Defined Contribution Section in accordance with the contribution rates as notified to Members of the Defined Contribution Section by the Principal Employer from time to time.

General

11.4 The Trustee shall notify the Pensions Regulator and the Members in the event of an Employer failing to pay contributions in accordance with the schedule of contributions referred to in Rule 8, where such notification is required under section 228 of the PA2004.

12 ONGOING SURPLUS

12.1 If an actuarial valuation under Rule 70 (Actuarial Valuations and Reports) discloses that the assets of the Plan exceed its liabilities by more than the maximum percentage allowed by any mandatory laws about reducing pension scheme surpluses, the Trustee may, with the prior agreement of the Principal Employer, and after satisfying the requirements under Section 37 of the PA1995 and Section 177 of the FA2004, do one or more of the following:

(a) provide increased or additional benefits under Rule 81 (Discretionary and Special Benefits) including, for the avoidance of doubt, contributions to Members’ Accounts;

(b) reduce or suspend contributions by the Employers under Rule 11 including, for the avoidance of doubt, contributions to Members’ Accounts;

(c) reduce or suspend contributions by Employees under Rule 9 including, for the avoidance of doubt, contributions to Members’ Accounts;
(d) make a payment to the Employers in such proportions as the Trustee, after consultation with the Principal Employer, considers appropriate.

13 EXPENSES

13.1 The Trustee shall apportion the expenses of the Plan between the Defined Benefit Section and the Defined Contribution Section as it thinks fit taking into account the extent to which each expense arises in respect of either Section or both.

Defined Benefit Section

13.2 The expenses apportioned to the Defined Benefit Section shall be paid by the Trustee out of the DB Fund, but the Trustee may require the Employers to reimburse the DB Fund in such proportions as the Trustee decides for the amount of all or any of these expenses.

Defined Contribution Section

13.3 The expenses apportioned to the Defined Contribution Section shall be paid by the Employers in such proportions as the Trustee decides, but the Trustee may instead pay the expenses from the DC Expenses Reserve.

General

13.4 A Trustee who carries on a profession or business may charge for his services on a basis agreed with the Principal Employer, as may a company or firm in which a Trustee is interested. Any such charges shall form part of the expenses of the Plan.

13.5 Rule 69 (Trustee Indemnities) makes provision about the indemnification of a Trustee. No payment may be made from the Plan to reimburse the Trustee which is prohibited under the Pensions Acts.
RETIREMENT BENEFITS

14 PAYMENT OF BENEFITS AT NORMAL PENSION DATE

Defined Benefit Section

14.1 A Member of the Defined Benefit Section who ceased to be an Active Member of the Defined Benefit Section on 30 September 2009 in accordance with a change to his employment contract is entitled to a preserved pension under the Defined Benefit Section in accordance with Rule 25 (Preserved Benefits). The Member shall be entitled at Normal Pension Date to a pension for life. The annual rate of the initial pension shall be calculated in accordance with paragraph 3 of the Schedule applicable to his Category as if he had left Pensionable Service on 30 September 2009. Rules 28 (Choice of Early Pension) and 29 (Choice of Late Pension) shall also apply in respect of the Member.

Defined Contribution Section

14.2 On an Active Member of the Defined Contribution Section retiring from Service at Normal Pension Date, the Member's Account will be applied to provide such benefits for the Member and contingently for any one or more of his Dependants as the Member specifies to the Trustee in accordance with Rules 14.3 and 14.4 below and will be Authorised Payments.

14.3 A Member must give notice in writing in a form approved by the Trustee indicating the type and level of benefits he requires to be provided from his Account and the identity of any Dependant he wishes to be a recipient.

14.4 The notice will take effect on the earliest of the Member's death, retirement, or the purchase by the Trustee of an Insurance Policy in order to provide any or all of the specified benefits. The notice cannot be altered after that date.

14.5 If the Trustee has not received a notice from the Member by the date when the Member ceases to be in Pensionable Service, or the notice is not wholly effective and the Trustee is unable after making reasonable enquiries to obtain a wholly effective notice from the Member, the Trustee has the power to decide the benefits (which must be Authorised Payments) on his behalf.

14.6 To the extent that any of the Member's Account is incapable of application under this Rule, the Trustee shall hold the balance in the DC Expenses Reserve.

14.7 A Main Category or Executive Category Member who retires on his 65th birthday will be treated as having remained in Pensionable Service until Normal Pension Date.

15 PAYMENT OF BENEFITS AFTER NORMAL PENSION DATE

Defined Contribution Section

15.1 On retiring from Service after Normal Pension Date, an Active Member of the Defined Contribution Section shall have his Member's Account applied as described in Rules 14.2 to 14.6 (Payment of Benefits at Normal Pension Date) at the date he leaves Service.

15.2 If a Member reaches age 75 while still in Service, he shall be treated for the purposes of the Plan as if he left Service on reaching that age.

15.3 An Active Member may at any time on or after Normal Pension Date opt out of the Plan and remain in Service under Rule 4.5 (Termination of Membership) in which case the options and benefits set out in Rule 27.3 (Leaving early/Opting-out while Remaining an Employee) shall apply.
16 EARLY PAYMENT OF BENEFITS

Defined Contribution Section

16.1 An Active Member of the Defined Contribution Section who retires from Service before Normal Pension Date may choose to have his Member's Account applied immediately as described in Rules 14.2 to 14.6 (Payment of Benefits at Normal Pension Date), if he has reached Minimum Pension Age or leaves on grounds of Ill Health.

17 LUMP SUM ON RETIREMENT

Pension commencement

Defined Benefit Section

17.1 Subject to the following provisions, a Member of the Defined Benefit Section may elect before the date on which his benefits come into payment under the Defined Benefit Section to convert his pension, (or part of it) for a lump sum payment. A Member may also elect to convert part or all of the proceeds of his AVCs into a lump sum payment.

17.2 The Trustee will determine the basis for converting pension to lump sum on a basis certified as reasonable by an actuary.

17.3 For the purposes of determining the maximum lump sum which qualifies as a Pension Commencement Lump Sum in relation to any Member in accordance with the transitional provisions under the Finance Act 2004, the Plan Rules in force on 5 April 2006 are to be taken into account.

17.4 The Trustee may determine to apply any restrictions to the option to choose a lump sum.

Defined Contribution Section

17.5 The benefits payable in respect of a Member of the Defined Contribution Section on the application of his Account may include a lump sum. A Member may also elect to convert part or all of the proceeds of his AVCs into a lump sum payment.

Both Sections

17.6 Any lump sum paid under Rule 17.1 or Rule 17.5 must (together with any other lump sum paid in connection with a pension coming into payment) qualify as a Pension Commencement Lump Sum.

17.7 A Member must keep a pension at least equal to his or her GMP and Protected Rights Pension.

Low value benefits (trivial commutation)

Both Sections

17.8 Subject to compliance with the Contracting-out Laws, if the pension payable to or in respect of any person calculated before the exercise of any option under Rule 17.1 or Rule 17.5 is trivial the Trustee may convert his benefits under the Plan (and any contingent on his death) for a cash sum, provided it qualifies as a Trivial Commutation Lump Sum or a Trivial Commutation Lump Sum Death Benefit or is otherwise an Authorised Payment under legislation in force from time to time. The Trustee will convert the pension to lump sum on a basis certified as reasonable by an actuary. On payment of that lump sum neither the Member nor his Spouse or Dependants will have any rights to further benefits under the Plan.
Serious Ill Health

Both Sections

17.9 If a Member is suffering from Serious Ill Health, the Trustee may upon the application of the Member convert the pension which would otherwise become payable to him (and any pension contingent on his death) under the Plan before it commences for a lump sum payment, provided that it qualifies as a Serious Ill Health Lump Sum. The Trustee shall apply the Member's Account or convert the accrued pension to lump sum on a basis certified as reasonable by an actuary, as appropriate. However, the Plan must retain such liability to pay pensions as is necessary to comply with the Contracting-out Laws.

Lifetime Allowance Exceeded

17.10 If the amount crystallised for the purposes of Section 216 FA2004 on a Benefit Crystallisation Event in respect of benefits payable under the Plan to or in respect of a Member would exceed his available Lifetime Allowance, the Trustee acting on the advice of an actuary may on the request of the Member convert the excess into a Lifetime Allowance Excess Lump Sum of equivalent actuarial value, provided that the conversion of any excess pension is done before the Benefit Crystallisation Event and the other conditions of paragraph 11 of Schedule 29 to FA2004 are met. The Member must also agree to the recovery by the Trustee from the Lifetime Allowance Excess Lump Sum of the amount of the Lifetime Allowance Charge for which it is liable in respect of the Member.
LUMP SUM DEATH BENEFITS

18 DEATH IN PENSIONABLE SERVICE

Defined Contribution Section

18.1 On the death of an Active Member of the Defined Contribution Section before Normal Pension Date a lump sum equal to four times the Member’s Pensionable Salary calculated as at the 1 April preceding the date of death (or at the date of joining the Plan if the Member had not begun his Service on 1 April) shall be payable under Rule 21 (Payment of Death Lump Sums).

18.2 On the death of an Active Member of the Defined Contribution Section on or after Normal Pension Date, a lump sum calculated as described in Rule 18.1 shall be payable unless the value of the Member’s Account at the date of death is greater. In that case the proceeds of his Account shall be used to secure benefits which are Authorised Payments, as described under Rules 14.2 to 14.6. Any lump sum shall be payable under Rule 21 (Payment of Death Lump Sums).

19 DEATH AFTER PENSION STARTS

Defined Benefit Section

19.1 On the death of a Pensioner under the Defined Benefit Section a lump sum is payable under Rule 21 (Payment of Death Lump Sums). The calculation of the lump sum depends on whether the Pensioner dies before or on or after Normal Pension Date.

19.2 If the Pensioner dies on or after Normal Pension Date the lump sum will be equal to £1,200 (or such other amount as the Principal Employer determines). In addition, if the Pensioner dies within five years after his pension has started, a further lump sum shall be payable equal to the balance of pension instalments that would otherwise have been paid during the remainder of the five year period (disregarding any future increases). If the Pensioner has died on or after age 75, these lump sums shall not be payable unless the Trustee so decides with the consent of the Principal Employer under Rule 80.5, and the balance of the instalments of the Member’s pension for the remainder of the five year period shall continue to be payable to his estate.

19.3 If the Pensioner dies before Normal Pension Date, the lump sum payable (if any) is the sum calculated under paragraph 4 of the Schedule applicable to his Category at the date of his death, provided that in respect of a Member who was also an Active Member of the Defined Contribution Section at the date of his death, no more than one lump sum calculated as a multiple of salary shall be payable.

Defined Contribution Section

19.4 On the death of a Pensioner under the Defined Contribution Section, benefits shall only be payable in accordance with the application of the Member’s Account at the time when he drew his retirement benefits.

20 DEATH OF A MEMBER WITH PRESERVED BENEFITS

Defined Benefit Section

20.1 If a Member of the Defined Benefit Section with preserved benefits under Rule 25 (Preserved Benefits) dies before Normal Pension Date and before his benefits have come into payment, a lump sum benefit shall be payable under Rule 21 (Payment of Death Lump Sums) equal to the total contributions paid by the Member without interest.

20.2 Subject to Rule 20.3, if a Member of the Defined Benefit Section with preserved benefits under Rule 25 (Preserved Benefits) dies on or after Normal Pension Date and before his benefits have come into payment, a lump sum benefit shall be payable under Rule 21 (Payment of Death Lump Sums) equal to the aggregate of:
(a) the maximum lump sum that the Member could have chosen under Rule 17.1 (Lump Sum on Retirement) on retirement; and

(b) the pension instalments of the remaining pension that would have been payable over a five year period (disregarding any future increases) if the Member had retired immediately before his death.

20.3 However, if the Member had already converted pension to lump sum under an option available to him at the time of his election, the lump sum will be equal to the aggregate of:

(a) £1,200 (or such other amount as the Principal Employer determines); and

(b) the pension instalments of the remaining pension that would have been payable over a five year period (disregarding any future increases) if the Member had retired immediately before his death.

Defined Contribution Section

20.4 On the death of a Member of the Defined Contribution Section with preserved benefits under Rule 25 (Preserved Benefits) on or after Normal Pension Date and before his benefits have come into payment, the proceeds of his Account shall be used to secure benefits which are Authorised Payments, as described under Rules 14.2 to 14.6. Any lump sum shall be payable under Rule 21 (Payment of Death Lump Sums).

21 PAYMENT OF DEATH LUMP SUMS

Both Sections

21.1 The Trustee will pay any lump sum death benefit payable under Rule 18 (Death in Pensionable Service) within two years from the earlier of the date when the Trustee first knew of the Member’s death and the date when it should have reasonably known of the death to or for the benefit of one or more of the Beneficiaries of the Member (as defined below) living at his death, or apply it for their benefit in such proportions as it sees fit. Any part of the lump sum that has not been paid out within twenty three months shall be paid to the personal representatives. The Trustee shall not, however, make any payment to the personal representatives if it would then pass to the Crown, the Duchy of Lancaster or the Duke of Cornwall. Instead that money shall be kept in the Plan for whatever purposes the Trustee decides.

21.2 The Beneficiaries are:

(a) the Member’s widow, widower or surviving Civil Partner;

(b) the Member’s grandparents and their descendants and the spouses, civil partners, widows, widowers and surviving civil partners of those descendants;

(c) any Dependant of the Member;

(d) any person with an interest in the Member’s estate (but not including the Crown, the Duchy of Lancaster or the Duke of Cornwall); and

(e) any person nominated by the Member in writing to the Trustee.

21.3 So long as only Beneficiaries can become entitled to the benefit, the Trustee may pay the whole or part of the lump sum to trustees of an existing trust, or direct that the whole or part of the lump sum be held by itself or other trustees on such trusts (including discretionary trusts) and with such powers and provisions (including powers of selection and variation) as the Trustee sees fit.

21.4 The Trustee may rely upon:
(a) any confirmation provided by the Employer or Principal Employer that a person is a Beneficiary;

(b) any confirmation given by a solicitor that the trusts on which a lump sum is to be held mean that the lump sum must necessarily be paid to or used for the benefit of one or more Beneficiaries;

(c) any information provided by solicitors acting for the personal representatives of the Member, and shall not be under any duty to make any further enquiry.

Defined Benefit Section

21.5 Any lump sum benefit payable under Rules 19 or 20 in respect of a Member of the Defined Benefit Section shall be paid to the Member's widow, widower or (in respect of benefits attributable to Pensionable Service on or after 5 December 2005 only), his surviving Civil Partner. If no such person exists, the lump sum shall be paid to the Member's personal representatives (unless it would then pass to the Crown, the Duchy of Lancaster or the Duke of Cornwall, in which case it shall be retained by the Trustee in the Plan.
PENSIONS FOR DEPENDANTS

22  SPOUSE'S PENSION

Defined Benefit Section

22.1  If a Member of the Defined Benefit Section dies leaving a Spouse, the Spouse shall receive the following pension for life, subject to any reduction under Rule 22.2:

(a) on the death of a Pensioner under the Defined Benefit Section, a pension equal to one-half of the annual rate of the pension payable to the Member at the date of death (including increases to the date of death but disregarding any election by the Member to convert pension to lump sum under Rule 17.1). However, if the marriage or civil partnership took place after the Member's pension commenced and within six month's of his death, the Trustee shall have discretion to limit the Spouse's pension to the Spouse's GMP and Protected Rights Pension; or

(b) on the death of a Member entitled to preserved benefits under Rule 25 (Preserved Benefits) under the Defined Benefit Section before the benefits come into payment, a pension equal to 1/160th of the Member's Final Pensionable Salary for each complete year of the Member's Pensionable Service (and in proportion for any incomplete year) from 6 April 1978 to the date of leaving Service, increased in accordance with Rules 31.3 and 31.4 (Pension Increases) between the date of leaving Service and the date of death. However, if the marriage or civil partnership took place after the Member's pension commenced and within six month's of his death, the Trustee shall have discretion to limit the Spouse's pension to the Spouse's GMP and Protected Rights Pension.

22.2  If the Spouse to receive a pension under the above provisions is more than ten years younger than the Member the amount of her pension may be reduced by a percentage not exceeding 2.5% for each year in excess of ten year's disparity.

Defined Contribution Section

22.3  If an Active Member of the Defined Contribution Section dies leaving a Spouse, a pension equal to 25% of the Member's Pensionable Salary as at 1 April preceding his death (or at the date of joining the Plan if after 1 April) shall be payable to his Spouse.

22.4  On the death of a Pensioner under the Defined Contribution Section, benefits shall only be payable in accordance with the application of his Account at the time when he drew his retirement benefits.

22.5  On the death of a Member with preserved benefits under Rule 25 (Preserved Benefits) under the Defined Contribution Section, benefits shall be provided under Rule 20.4 from the Member's Account.

22.6  To the extent that a Member's Account is not applied under Rule 22.5 it shall be held by the Trustee in the DC Expenses Reserve.

Both Sections

22.7  If the Member leaves more than one surviving Spouse, the Spouse's pension will be paid to one or more of them in such shares as the Trustee decides. The pension allocated to any Spouse will be paid to any Pensionable Children under Rule 23 after that Spouse's death.

23  CHILD'S PENSION

Defined Benefit Section

23.1  If a Member of the Defined Benefit Section dies leaving one or more Pensionable Children and either no Spouse's pension is payable or any Spouse's pension ceases while there are still Pensionable Children, a pension shall be payable.
23.2 The pension shall be calculated in the same way as a Spouse's pension under Rule 22.1 according to the status of the Member at his death.

23.3 The pension will be paid to one or more of the Pensionable Children, or used for their benefit, in such shares as the Trustee may decide from time to time. The pension may be paid to some other person or to a fixed or discretionary trust for the benefit of any or all of them.

23.4 The pension will cease when there is no remaining Pensionable Child.

**Defined Contribution Section**

23.5 If a Member of the Defined Contribution Section dies leaving one or more Pensionable Children and no Spouse, or any Spouse’s pension ceases, any Spouse’s benefits that would otherwise have been payable from the Plan shall be payable instead as child’s benefits.

23.6 The benefits will be paid to one or more of the Pensionable Children, or used for their benefit, in such shares as the Trustee may decide from time to time. The benefits may be paid to some other person or to a fixed or discretionary trust for the benefit of all or any of them. The benefits will cease when there is no remaining Pensionable Child.

24 **DEPENDANT’S PENSION**

**Defined Benefit Section**

24.1 If no Spouse’s or child’s pension is payable in respect of a Member of the Defined Benefit Section under Rules 22 or 23, the Trustee may in its absolute discretion pay a pension to any one or more of the Member’s Dependents. The amount of the pension shall not exceed the amount of the Spouse’s pension which would otherwise have been payable, but may be of a smaller amount. The Trustee may reduce or stop any such pension at any time, as it sees fit.

**Defined Contribution Section**

24.2 If no person qualifies for a Spouse’s or children’s benefits to be paid from the Plan, the benefits shall be paid instead to the Member’s Dependents.
EARLY LEAVERS

25 PRESERVED BENEFITS

Defined Benefit Section

25.1 In accordance with a change to employment contracts, all Active Members of the Defined Benefit Section are treated for the purposes of the Defined Benefit Section as ceasing to be in Pensionable Service on 30 September 2009. Accordingly, such Members are entitled to preserved pensions under the Defined Benefit Section, payable on reaching Normal Pension Date unless the retirement benefits come into payment earlier or are postponed.

25.2 A Member of the Defined Benefit Section who left Service before 1 October 2009 and before Normal Pension Date in any of the following circumstances, has benefits preserved in respect of him under the Defined Benefit Section. He shall be entitled to his retirement benefits on reaching his Normal Pension Date, unless his retirement benefits come into payment earlier or are postponed:

(a) if he left after at least 2 years' Qualifying Service;

(b) if a transfer payment in respect of the Member's rights under a personal pension scheme was been received by the Plan; or

(c) if he left with less than 2 years' Qualifying Service and chose a preserved pension within 6 months of leaving Service.

25.3 The preserved retirement benefits shall be calculated as set out in paragraph 3 of the Schedule applicable to the Member's Category of Membership, provided that when providing benefits under these Rules the Trustees shall comply with the overriding requirements of the equal treatment requirements of sections 62 to 66 of the PA1995 and the Occupational Pension Schemes (Equal Treatment) Regulations 1995.

25.4 These preserved benefits shall be increased in accordance with Rule 31 (Pension Increases).

Defined Contribution Section

25.5 If a Member of the Defined Contribution Section leaves Service before Normal Pension Date in either of the following circumstances, his Account will be preserved. He shall be entitled to his retirement benefits on reaching his Normal Pension Date, unless his retirement benefits come into payment earlier or are deferred:

(a) if he leaves after at least 2 years' Qualifying Service; or

(b) if a transfer payment in respect of the Member's rights under a personal pension scheme has been received by the Plan.

25.6 When he takes his retirement benefits, his Account shall be applied as described in Rules 14.2 to 14.6 (Payment of Benefits at Normal Pension Date).

Both Sections

25.7 If a Member leaves Service, returns and rejoins the Plan and then leaves again before Normal Pension Date, and the break did not exceed one month or was due to a trade dispute the Member's Service before and after the break will be treated as continuous (but excluding the break) for the purpose of calculating whether the Member has at least 2 years' Qualifying Service after the break.

25.8 If a Member leaves Service with preserved benefits, returns and rejoins the Plan and then leaves again before Normal Pension Date, and is still entitled to benefits under the Plan in respect of the period before the break, the Member will be entitled to preserved benefits in respect of the period after the break whether or not the Member completes 2 years' Qualifying Service after the break.
26 REFUND OF CONTRIBUTIONS / CASH TRANSFER SUM

Defined Contribution Section

26.1 A Member who ceases to be in Pensionable Service before completing two years’ Qualifying Service and who is not entitled to have his Account preserved under Rule 25 above will be entitled to receive a refund of that part of his Account representing his contributions (together with the proceeds of his AVCs paid before 1 October 2009 (if any)), less a deduction in respect of the applicable tax. Investment return shall be included within such refund if there is a net positive return, but shall not exceed such amount as counts as a Scheme Administration Member Payment. The Member’s Account will be cancelled. Any remaining balance will be held within the DC Expenses Reserve.

26.2 Instead of a refund under this Rule 26, a Member who ceases to be in Pensionable Service after completing less than two years’ Qualifying Service but at least three months’ PSA Pensionable Service and has a right to a Cash Transfer Sum may elect a Cash Transfer Sum in accordance with Section 101AD of the PSA. Any election must be made within the timescale specified by the Trustee.

26.3 If the Trustee makes a refund of contributions under this Rule it shall be discharged from any obligation to pay or secure any benefits to or in respect of the Member under the Plan.

27 LEAVING EARLY/OPTING OUT WHILE REMAINING AN EMPLOYEE

Defined Benefit Section

27.1 From and including 1 October 2009, no Member shall be treated as in Pensionable Service for the purposes of the Defined Benefit Section.

Defined Contribution Section

27.2 If a Member stops being an Active Member of the Defined Contribution Section before Normal Pension Date while remaining in Service, but his retirement benefits do not come into payment under Rule 16 (Early Payment of Benefits) he will be entitled to preserved benefits under Rule 25 (Preserved Benefits) or a refund of contributions or Cash Transfer Sum under Rule 26 (Refund of Contributions/Cash Transfer Sum), whichever applies to him, as if he had left Service at that time. However, the following restrictions apply:

(a) his rights under Rule 42 (Members’ Statutory Rights to Transfer) and this Rule shall be no greater than under the Transfer Value Laws; and

(b) no pension or lump sum will be paid to the Member under the Defined Contribution Section until the earlier of the date the Member actually leaves Service or the day before he reaches age 75.

27.3 If a Member who remains in Service after Normal Pension Date opts out of the Plan or after Normal Pension Date his retirement benefits shall be calculated under Rule 14.7 (Payment of Benefits after Normal Pension Date) in the same manner as if he left Service on the date on which he opted out. However, their payment will be deferred to the earlier of the date his Service ceases and the day before the date he reaches age 75.

28 CHOICE OF EARLY PENSION

Defined Benefit Section

28.1 With the Trustee’s consent, a Member who is entitled to preserved benefits under Rule 25 (Preserved Benefits) may, at any time if he is retiring due to Ill Health, or if he has attained Minimum Pension Age in any other case, choose to receive immediate benefits, instead of his preserved benefits. The immediate benefits will be reduced by such an appropriate amount as the Trustee decides on a basis
certified as reasonable by an actuary. For the avoidance of doubt, this Rule applies to a Member of the Defined Benefit Section who remains an Employee.

28.2 If the Member has a Protected Rights Account, the Member can only start to receive a pension before Normal Pension Date if the arrangements for its payment are consistent with the Contracting-out Laws and will not result in any Unauthorised Payments.

28.3 The pension payable in respect of a female Main Category or Executive Category Member whose Pensionable Service started before 6 April 1990 will not in any event be less than the total of:

(a) the pension for life that would have been payable under the Plan Rules in force on 5 April 1990 had the Member left Service on 5 April 1990 at age 60; and

(b) a pension calculated as described in Rule 25 but only taking into account Pensionable Service after 5 April 1990.

Defined Contribution Section

28.4 With the Trustee's consent, a Member who is entitled to have his Account preserved under Rule 25 (Preserved Benefits) may, at any time if he is retiring due to Ill Health, or at any time if he has attained Minimum Pension Age in any other case, choose to receive immediate benefits, instead of his preserved benefits. In that case, the Member's Account will be applied in accordance with Rules 14.2 to 14.6.

Both Sections

28.5 The Trustee must be reasonably satisfied that the benefits payable (including death benefits) in respect of a Member who draws his pension under this Rule 28 are at least equal in value to the preserved benefits (including future increases) which would otherwise have been paid under Rule 25 (Preserved Benefits).

29 CHOICE OF LATE PENSION

Defined Benefit Section

29.1 If the Trustee agrees, a Member entitled to preserved benefits under Rule 25 (Preserved Benefits) may choose to have his retirement benefits come into payment later than Normal Pension Date, but not later than the earliest of:

(a) the date he ceases to be in all employment for the purposes of section 13 of the PSA;

(b) (if applicable) if he does not give consent for the further postponement of the commencement of his GMP, the date on which he ceases to be in Service or the expiration of 5 years from the date on which he reaches Pensionable Age;

(c) the day before the date he reaches age 75.

29.2 The benefits will be increased for each complete month of postponement by such amount as the Trustee decides to be reasonable as certified by an actuary (which in the case of the GMP portion will not be less than that required by the Contracting-out Laws).

Defined Contribution Section

29.3 With the Trustee's consent, a Member who is entitled to have his Account preserved under Rule 25 (Preserved Benefits) may choose to have his Account applied after Normal Pension Date; but not later than the earliest of:

(a) the date he ceases to be in all employment for the purposes of section 13 of the PSA;

(b) the day before the date he reaches age 75.
29.4 The Member's Account will be applied in accordance with Rules 14.2 to 14.6.

Both Sections

29.5 The Trustee must be reasonably satisfied that the benefits (including death benefits) are at least equal in value to the preserved benefits which would otherwise have been paid at Normal Pension Date under Rule 25 (Preserved Benefits).
GENERAL RULES ABOUT PENSIONS

30 PROVISION OF PENSIONS

Defined Benefit Section

30.1 Pensions are payable monthly, except that the Trustee may pay small pensions less often. The Trustee may also decide the due date of payment. When pensions are payable in advance, no part repayment is necessary on the death of the person to whom it was payable.

30.2 Unless otherwise stated, a pension is payable for life and the amount described in the Rules is its annual amount.

Defined Contribution Section

30.3 A pension payable under the Defined Contribution Section will be provided by the purchase by the Trustee in the name of the Beneficiary of one or more Insurance Policies in accordance with Rule 45 (Buying out Benefits).

31 PENSION INCREASES

Defined Benefit Section

Pensions in payment

31.1 Subject to Rule 31.4, each pension in payment under the Defined Benefit Section shall be increased while in the course of payment each year. The date of the increase will be decided by the Trustee but the interval between increases will not exceed 12 months. The increase in each year shall be

(a) in respect of pension attributable to Pensionable Service after 6 April 1997 and before 2 August 2005, by an amount equal to the lower of:

   (i) the percentage increase in the Index over the period of 12 months ending on a date agreed between the Principal Employer and the Trustee; and

   (ii) 5%; and

(b) in respect of pension attributable to Pensionable Service on and after 2 August 2005, by an amount equal to the lower of:

   (i) the percentage increase in the Index over the period of 12 months ending on a date agreed between the Principal Employer and the Trustee; and

   (ii) 2.5%.

A pension in payment for less than a year may be increased by a smaller amount. If the interval between increases is less than 12 months, the increase will not exceed the lower of the increase in the Index over a period of similar duration since that of the last 12 month period under (a)(i) or (b)(i), as appropriate) above, and 5% (or 2.5%, as appropriate) multiplied by the fraction of a year since the last increase.

31.2 Pensions in payment will be reviewed regularly and, provided that they remain Authorised Payments, may be further increased by such amount and at such times as the Principal Employer decides with the consent of the Trustee (after considering actuarial advice).

Preserved benefits

31.3 Any preserved benefits in excess of GMP under Rule 25 (Preserved Benefits) shall be increased by the percentage required by the Revaluation Laws, except that in respect of benefits attributable to
Pensionable Service after 5 April 2009 and before 1 October 2009 the Revaluation Laws shall be treated as imposing the equivalent of a maximum annual increase of 5% rather than 2.5%.

GMP

31.4 Rules 31.1 and 31.3 shall not apply to any part of a pension that is GMP. If a GMP is payable the Trustee shall increase it in accordance with the Contracting-out Laws.

Defined Contribution Section

31.5 In general, a pension secured under the Defined Contribution Section in accordance with Rules 14.2 to 14.6 will carry such increases as are selected at the time, subject to any minimum increases necessary to satisfy any legislative requirements applicable at the time.

31.6 In relation to a pension payable to a Spouse, Pensionable Child or Dependant that is calculated under Rule 22.3, increases shall apply under Rule 31.1 above as if it were payable under the Defined Benefit Section. For this purpose, the pension shall be treated as attributable to Pensionable Service on the date of the Member’s death. Discretionary increases under Rule 31.2 may also be applied.
GENERAL RULES ABOUT BENEFITS

32 TAX

32.1 The Trustee may deduct from the assets of the Plan or from any payment under the Plan any tax, charge, levy, fee or duty on or in respect of the payment for which it may be liable. The Trustee may delay payment of any benefit until any question about the incidence of or liability for any such tax, charge, levy, fee or duty has been resolved.

32.2 The Scheme Administrator of the Plan for the purposes of Section 270 of FA2004 shall be the Trustee or such other person as the Trustee may appoint for those purposes.

32.3 If the Trustee is liable to pay any Lifetime Allowance Charge in respect of a Member, it shall be entitled acting on the advice of an actuary to recover an amount reflecting such liability from present or future benefits or entitlement under the Plan in respect of the Member (other than from an entitlement to a benefit which has not crystallised, except that in relation to which the Lifetime Allowance Charge arises).

32.4 Where a liability for a tax charge is on a joint and several basis, the Trustee shall be deemed (as between it and the Member) to have discharged its obligations to meet that liability where it has acted in reliance on information provided in a Member's signed declaration.

32.5 If the Member's declaration is incomplete or incorrect, or he has failed to provide a declaration on request or to update a declaration in relation to a joint liability, the liability for any additional charge or tax or any unpaid tax shall be deemed to fall solely on the Member. The Trustee shall be entitled to recover from the Member's benefits any charges or tax raised on it by HM Revenue & Customs. To the extent that the Trustee is unable to recover from the Member's benefits, the Member shall be personally liable to reimburse the Trustee.

32.6 If the Trustee pays a Short Service Refund Lump Sum, it may deduct from that payment an amount equal to the Short Service Refund Lump Sum Charge.

33 INFORMATION

33.1 Payment of any benefit under the Plan to any person will be conditional upon the production of any evidence or information that the Trustee may reasonably require for the purposes of the Plan. If such evidence or information is not provided or is subsequently found to be incorrect the Trustee will have the power to withhold payment of the benefits or adjust the benefits in such way as it decides is reasonable. No interest will be payable in respect of any period for which payment is withheld unless the Trustee agrees otherwise.

33.2 Every Member or other Beneficiary must give written notice to the Trustee of his place of residence when he becomes a Member or entitled to a pension or an annuity under the Plan and thereafter must give immediate notice of any change of residence.

33.3 Every person having any rights under the Plan shall be entitled to inspect a copy of the Rules and all amendments thereto and the latest statement of accounts and balance sheet for the Plan.

33.4 The Trustee shall comply with its duties under the Data Protection Act 1998.

34 MEMBER'S CONSENT

34.1 The written consent of a Member shall for any purpose of the Plan be deemed to represent the consent of and to be binding upon any contingent beneficiary who may have any claim to any benefit under the Plan in respect of that Member.
35 UNCLAIMED MONIES

35.1 A Member or other Beneficiary shall cease to be entitled to a sum that has become due if it has not been claimed for at least six years from the date it became due, and the amount of that sum shall be retained in the Plan for such purposes as the Trustee may decide.

35.2 Any instalment of a GMP may be forfeited if it is not paid within six years of the date on which the instalment became due and the Trustee does not know the whereabouts of the recipient.

36 OVERPAYMENTS

36.1 If the Trustee pays a Beneficiary any amount that is more than he is entitled to receive, it shall have the right to recover the overpaid amount immediately or at any later date from that person or their legal personal representatives or it may deduct the overpayment from any later payment or payments to him or any other Beneficiary who derives his entitlement through the same Member. This Rule is subject to the Contracting-out Laws and section 91 of the PA1995.

36.2 The Trustee shall give the person a certificate stating the amount to be recovered and the effects on his benefits. If he disputes the amount of the overpayment, the Trustee may not reduce the person's benefits until an obligation to repay has become enforceable under a court order or through an arbitrator's award.

36.3 The Trustee need not try to recover an overpayment if it thinks that the likelihood of recovering a worthwhile amount (net of costs) is too low.

37 ASSIGNING OR CHARGING BENEFITS TO SOMEBODY ELSE

37.1 If a person tries to assign or charge his present or future benefits (or part of them) or if anything happens that would result in all or part of his benefits, if belonging to him absolutely, becoming payable to another person, or if he became bankrupt before 6 April 2002, his benefits shall be forfeited (other than his right to a GMP or his Protected Rights, which shall remain payable to him). The Trustee may pay an equivalent or a smaller discretionary benefit than the benefits that have been forfeited to or for the benefit of the person concerned and/or his spouse and/or any of his dependants in such a way and in such shares as the Trustee decides, and may deduct from any such discretionary payment the expenses incurred in paying it. However, the Trustee shall not pay any part of the benefit to anyone in whose favour the person concerned tried to assign or charge the original benefits.

37.2 This Rule is subject to Sections 91 and 92 of the PA1995 and does not apply to any lump sum or instalment of pension that falls due for payment before the benefit otherwise ceases to be payable.

38 BENEFICIARY UNABLE TO MANAGE OWN AFFAIRS

38.1 If the Trustee considers that a Beneficiary is incapable of managing his own affairs (because of illness, mental disorder, minority or anything else) it may use any amounts due to him for his benefit or may pay them to some other person or persons to do so. The Trustee may also make any choice which he has under the Plan on his behalf. The receipt of the person to whom the Trustee pays the monies will be a good discharge to the Trustee for it.

38.2 Payment of a GMP may be suspended during any period when the person receiving the GMP is unable to act (by reason of mental disorder or otherwise) but the amount of the GMP must either be paid or applied for the maintenance of the recipient or his dependants, or paid to the recipient when that recipient is again able to act, or paid to the recipient's estate after that recipient's death.

39 PAYMENTS TO PERSONS OTHER THAN PERSONAL REPRESENTATIVES

39.1 Where any monies not exceeding an aggregate sum of £1500 (or such other amount as the Trustee may from time to time determine) are payable to legal personal representatives and representation has not been taken out on a deceased person's estate, the Trustee may instead at its
discretion pay the monies to the deceased person's Spouse, Dependant, other relative or any person entitled to any benefit from the deceased's estate. The receipt of the person to whom the Trustee pay the monies will be a good discharge to the Trustee for it.

40 LIFE ASSURANCE POLICIES

40.1 The Trustee may effect with an Insurance Company any life assurance policies for the purpose of insuring the whole or some part of the benefits payable under the Plan on the death of any Member or other person.

40.2 The death benefits to be provided under the Rules are subject to any restrictions imposed by any Insurance Company with which they are insured. The Trustee may determine that the death benefits will also be limited for any Member who fails to provide evidence of good health satisfactory to the Trustee, or whose death results from a cause specified in a notice to Members.

41 CRIME, FRAUD AND NEGLIGENCE

41.1 If any Member or Ex-Spouse owes an Employer money because of his criminal, fraudulent or negligent act or omission, the Employer may require his benefits (including death benefits) to stand charged with the payment of such debt. However, no GMPs or Protected Rights or Protected Rights Pensions may stand so charged. Nor may benefits attributable to a transfer payment unless they are prescribed under section 91(5)(d) of the PA1995. The amount recovered must not be greater than the amount of the debt nor greater than the value of the Member or Ex-Spouse's entitlement or accrued rights at the time.

41.2 When a person owes money to an Employer, the Trustee shall give him a certificate stating the amount of the debt and the effect on his benefits. If he disputes the amount of the debt, the Trustee may not reduce the person's benefits until the obligation has become enforceable under a court order or through an arbitrator's award. However, where allowed or required by law, the Trustee may suspend payment of any benefits until the matter is resolved.
TRANSFERS AND BUY-OUTS

42 MEMBERS' STATUTORY RIGHTS TO TRANSFER

Both Sections

42.1 If a Member entitled to preserved benefits under Rule 25 (Preserved Benefits) who has at least a year remaining before his Normal Pension Date has a right to a cash equivalent under section 94 of the PSA, he may require the Trustee to use the cash equivalent of his preserved benefits (including death benefits) in whichever of the following ways (or combination of them) he chooses:

(a) to purchase one or more Insurance Policies chosen by the Member. Any policy must satisfy the Transfer Value Laws, the Preservation Laws and the Contracting-out Laws; and

(b) to acquire rights under another Registered Scheme or Qualifying Recognised Overseas Pension Scheme whose trustees or managers are able and willing to accept a transfer payment. The transfer must also satisfy the Transfer Value Laws, the Preservation Laws and Contracting-out Laws.

42.2 The right may be exercised in different ways in relation to different portions of his cash equivalent. To exercise his right the Member must comply with the procedures set out in the Transfer Value Laws. The Trustee must do likewise in the carrying out its responsibilities.

42.3 Under the Transfer Value Laws the Member may apply to the Trustee in writing for a statement of the amount of his cash equivalent.

42.4 The Trustee shall calculate the cash equivalent in accordance with the Transfer Value Laws.

42.5 The Member must normally exercise the right to transfer in respect of the whole of his cash equivalent. The one exception is that he can require the Trustee to transfer only his accrued rights in excess of his Contracted-out Benefits to an occupational pension scheme which is not Contracted-out or a personal pension scheme which is not an appropriate scheme for the purposes of holding Contracted-out Benefits. The Trustee shall give the Member details of this exception on request.

42.6 If any Member who is not entitled to preserved benefits:

(a) has a right to a Cash Transfer Sum;

(b) has exercised that right in accordance with Section 101AD of the PSA; and

(c) has made his election within the timescale specified by the Trustee and given it notice specifying the permitted way in which he requires the Cash Transfer Sum to be used in accordance with Section 101AE of the PSA,

the Trustee shall pay the Cash Transfer Sum as the Member has directed it.

42.7 If the Trustee has transferred the cash equivalent of the Member's preserved benefits (or any part of them) or the Cash Transfer Sum in respect of a Member as described in this Rule, it shall be discharged from any obligation to provide the benefits to which the cash equivalent or Cash Transfer Sum related or to pay any refund of contributions.

42.8 If a Member exercises his rights under this Rule, the Trustee shall give effect to the that exercise in accordance with the Transfer Value Laws and the Contracting-out Laws.
MAKING TRANSFERS

Both Sections

43.1 If a Member becomes a member of any other scheme which is a Registered Scheme or a Qualifying Recognised Overseas Pension Scheme (called the "Receiving Scheme" in this Rule), the Trustee may at its discretion instead of paying or preserving a Member’s benefits under the Plan transfer to the Receiving Scheme such assets as the Trustee considers appropriate after considering actuarial advice.

43.2 The transfer must be in accordance with the Transfer Value Laws, Preservation Laws and Contracting-out Laws and must be a Recognised Transfer.

43.3 The consent of the Member to a transfer under this Rule shall not be required, provided that any conditions for a transfer without his consent under the Preservation Laws and Contracting-out Laws are satisfied.

43.4 Where the Trustee makes a transfer payment to a Receiving Scheme for a Member who is subject to a Pension Debit, the transfer payment will be the reduced amount after the Pension Debit has been deducted. The Trustee must give details of any Pension Debit where the transfer is made to a scheme which is a Registered Scheme.

Transfers between Sections

43.5 A Member of the Defined Benefit Section may with the agreement of the Principal Employer and the Trustee elect to transfer the value of his benefits (excluding his Contracted-out Benefits) from the Defined Benefit Section to the Defined Contribution Section. The Trustees shall calculate the value of the benefits on the advice of the Actuary.

Contracted-out rights

43.6 Where a transfer payment includes a person’s GMP or Protected Rights the Trustee must comply with the Contracting-out Laws and any other relevant requirements of the PSA.

43.7 If the Receiving Scheme is not permitted under Contracting-out Laws to receive a transfer payment in respect of a person's GMP or Protected Rights, the Member may opt in accordance with Section 96 of the PSA to have a reduced transfer made to the Receiving Scheme in respect of his benefits other than his (and his survivor's) GMP or Protected Rights, and the transfer payment under Rule 43.1 shall be reduced by such amount as the Trustee (after considering actuarial advice) determines to be sufficient to enable it to meet their liability for his (and his survivor's) GMP or Protected Rights.

RECEIVING TRANSFERS

Both Sections

44.1 The Trustee may accept a transfer of assets to the Plan in respect of any person from another Registered Scheme or other retirement benefits scheme or pension arrangement or the proceeds of a buy-out policy or annuity contract bought by the trustees or administrator of another retirement benefits scheme in the person's name. It shall provide such benefits consistent with the Preservation, Revaluation and Transfer Value Laws and the status of the Plan as a Registered Scheme as it decides after considering actuarial advice. If the transferred assets represent Contracted-out Benefits or Protected Rights, the benefits the Trustee provides shall also be consistent with the Contracting-out Laws. Before accepting a transfer, the Trustee shall satisfy itself that the acceptance of the transfer will not prejudice the status of the Plan as a Registered Scheme and shall obtain such certification and other information from the transferring Registered Scheme or other arrangement as they think necessary for the purposes of this Rule and the proper administration of the Plan.
44.2 The Trustee may accept a transfer payment (and any subsequent payment(s) topping-up an original transfer payment) from another occupational pension scheme or personal pension scheme relating in whole or in part to a Pension Credit or Pension Credit Rights of any Member or an Ex-Spouse Member on terms that the Member shall be entitled to such benefits under the Plan in respect of the transfer payment as the Trustee may agree with the Principal Employer, after considering actuarial advice.

**Contracted-out rights**

44.3 The Trustee may accept a transfer payment into the Defined Benefit Section which includes an amount representing GMP, Protected Rights or Section 9(2B) Rights provided that it complies with the Contracting-out Laws and any other relevant requirements of the PSA. The Trustee must apply the transfer payment (or such part of it as represents GMP, or Protected Rights or Section 9(2B) Rights) in one of the following ways:

(a) The Trustee may accept the liability to pay the GMP or apply the transfer to provide Protected Rights. If the Trustee accepts the liability to pay the GMP, it may decide to apply a basis of revaluation other than Section 148 Revaluation during the Member's Contracted-out Employment;

(b) The Trustee may apply the transfer to provide Protected Rights or, if the transfer is in respect of pre-6 April 1997 Protected Rights, a GMP under the Plan. Any GMP provided will be revalued as described in (a) above; and

(c) The Trustee may apply the transfer to provide Protected Rights under the Plan.

45 **BUYING OUT BENEFITS**

**General**

45.1 The Trustee may buy an Insurance Policy in the name of a Member or other beneficiary instead of providing benefits for that person under the Plan. It may also assign an Insurance Policy that it already holds to a Member or other beneficiary.

45.2 In either case, any purchase or assignment of a policy must satisfy the Preservation Laws and the Contracting-out Laws (including any requirement to obtain the consent of the Member or other beneficiary) and any purchase or assignment of an Insurance Policy in the name of the Member must qualify as a Recognised Transfer.

45.3 Buying or assigning a policy in accordance with this Rule shall discharge the Trustee from liability to provide benefits under the Plan by reference to which the policy is purchased for the person concerned (or any other persons whose rights are derived from that person).

**Defined Benefit Section**

45.4 The amount the Trustee pays an Insurance Company for a policy in respect of a Member or other beneficiary of the Defined Benefit Section shall be equal to the value of the benefits that it would otherwise have provided in respect of the Member or other beneficiary under the Plan.
PLAN ASSETS

46 DECLARATION OF TRUST

46.1 The Trustee shall hold all the contributions and other assets that they receive and the property representing them and all the income on irrevocable trust for the purposes of the Plan.

46.2 The AVC Fund shall consist of assets from time to time representing AVCs paid to secure additional benefits on a money purchase basis or received as part of a transfer into the Plan representing voluntary contributions.

46.3 The assets of the Defined Contribution Section shall not in any circumstances be used in the satisfaction of liabilities under the Defined Benefit Section.

47 STATEMENT OF INVESTMENT PRINCIPLES

47.1 If required to do so by section 35 of the PA1995, the Trustee shall prepare, maintain and periodically review, and if necessary revise, a written statement of principles relating to the investment of the assets of the Plan in the form and covering the matters prescribed under that section. Before preparing or revising the statement the Trustee shall comply with the requirements under that section.

48 INVESTING THE ASSETS

48.1 For the purposes of the Plan the Trustee may, on its own or with others, and in any part of the world:

(a) buy, hold and sell property (whether or not tangible, movable or income-producing) of any kind;

(b) make, vary or cancel any kind of contract and incur any kind of obligation;

(c) for any purpose lend money or other property on such terms as it thinks fit;

(d) enter into any kind of transaction designed to offset or reduce the risk of loss to the Plan;

(e) grant any security over, or any right of recourse against, any or all of the assets of the Plan;

(f) create, finance and run any business or company;

(g) insure any asset on any terms;

(h) 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 erecting, altering, demolishing or maintaining any buildings on the land);

(i) participate in any common investment fund (being an arrangement for the pooling of investments held for the purposes of Registered Schemes) the terms and conditions of which are contained in a written agreement to which the Trustee is a party; and

(j) exercise any power it has under the Pensions Acts to make any other kind of investment as if it were absolutely and beneficially entitled to the assets of the Plan.

48.2 The Trustee must exercise these powers in relation to investment in accordance with any mandatory limitations in the Pensions Acts on the choice of a pension scheme's assets and on "employer-related investments".

48.3 Any cash held under the Plan may be retained or placed on deposit or current account with any bank or with any deposit taking institution and the Trustee shall not be chargeable in respect of any interest on any such cash in excess of the interest (if any) actually paid or credited thereon.
49.4 If any investment requires an indemnity to be given by the Trustee against liabilities arising in the event of the Plan losing its status as a Registered Scheme the Trustee shall have power to bind the Plan notwithstanding that such indemnity may only become operative by reason of some act or omission which constitutes a breach of trust on the part of the Trustee.

MEMBERS' ACCOUNTS

Defined Contribution Section

49.1 The Trustee must maintain an Account in respect of each Member of the Defined Contribution Section in which are recorded such amount as the Trustee decides represents the aggregate of:

(a) contributions paid by the Member under Rule 9 (Member Contributions);

(b) contributions paid by the Employer in respect of the Member under Rule 11 (Employer Contributions) including any credit for additional or special contributions under Rule 81 (Discretionary and Special Benefits); and

(c) any transfer payments received in respect of the Member after 1 July 2003 by the Trustee under Rule 44 (Receiving Transfers);

and any interest, income, gains or losses arising on such sums as determined by the Trustee on professional advice, but after (unless the Principal Employer decides otherwise) the deduction for investment expenses.

49.2 Members' Accounts are maintained solely for benefit calculation purposes and must not be taken as conferring on a Member any direct interest in the underlying investments of the Plan.

49.3 The Trustee must ensure that each Member's Account is invested in such a way that the Trustee can at all times identify the contributions paid by and in respect of each Member and the other elements of it.

49.4 The Trustee shall from time to time select investment funds to make available to Members of the Defined Contribution Section. Any amounts credited to a Member's Account will be rationally allocated to such investment fund(s) in such proportions as the Member may select by giving written notice to the Trustee in such form as the Trustee may require.

49.5 If a Member does not give written notice to the Trustee, the amounts shall be allocated between the investment funds in such manner as the Trustee shall from time to time determine.

49.6 A Member may, by giving written notice to the Trustee of such length and in such form as they may require (not being more than twelve months' notice), alter the allocation of part or all of his Account under this Rule 49. This option may be exercised without charge once in any year. The Trustee may make the exercise of the option on other occasions subject to a charge.

49.7 Where the Trustee follows any instructions given by a Member under this Rule or invests the Account in accordance with Rule 49.5 (subject to the PA1995) the Trustee shall be under no duty or obligation to or in respect of the Member in respect of any loss or diminution in the value of the Account resulting from its investment.

FUND MANAGERS

50.1 The Trustee may at any time appoint one or more Fund Managers to manage the investments of the Plan on such terms as the Trustee thinks fit and any such Fund Manager may be authorised:

(a) to exercise all or any of the powers or discretions of the Trustee with regard to investments or the holding of investments;
(b) to delegate and authorise the sub-delegation of any power or discretion so given to the Fund Manager;

(c) to appoint any custodian and authorise the appointment of sub-custodians.

50.2 The terms and conditions on which any Fund Manager is appointed may (without limitation) include provisions authorising such Fund Manager to act, notwithstanding any conflict between the Fund Manager's interest and his duties to the Plan, or authorising such Fund Manager or agent to retain any benefit received through acting as investment manager. Any such provisions may equally apply to any delegate or sub-delegate or custodian or sub-custodian appointed pursuant to such terms and conditions.

51 USE OF NOMINEES/CUSTODIAN

51.1 The Trustee may keep assets of the Plan in the name of a nominee or nominees and appoint any person as custodian and authorise the appointment of sub-custodians by that person of any part of the Plan's assets on any terms.

52 BORROWING

52.1 The Trustee may borrow money for the purposes of the Plan, on any terms including the provision of security, but subject to the Pensions Acts and compliance with the limits in sections 182 and 184 of the FA2004.

53 INSURANCE

53.1 The Trustee may insure (up to any amount) any assets of the Plan against loss, damage or depreciation (from any cause whatsoever).
TRUSTEES

54 MEMBER-NOMINATED TRUSTEES

54.1 The Trustee will make and carry out arrangements for selecting Trustees of the Plan (or, as the case may be, directors of its corporate Trustee) that are consistent with the member-nominated trustee (or director) requirements specified in sections 241 to 243 of the PA2004, as applicable to the Plan.

54.2 The arrangements shall say that anyone who is disqualified by law from acting as a pension scheme trustee or is prohibited by law from acting as trustee of any particular pension scheme may not be appointed as a trustee of the Plan (or as director of its corporate trustee). The arrangements shall also say that a Trustee who becomes so disqualified or prohibited while a trustee of the Plan (or a director of its corporate Trustee) shall be removed as a Trustee (or director).

55 APPOINTMENT AND REMOVAL

55.1 Subject to Rule 55.2, the Principal Employer may, by deed, appoint and remove Trustees of the Plan without limitation as to numbers. It may appoint a corporate body as sole Trustee but otherwise there must be a minimum of two Trustees. No reason is required.

55.2 The Principal Employer shall exercise these powers to give effect to any arrangements that the Trustee has made in relation to member-nominated Trustees (or member-nominated directors of a corporate Trustee) (see Rule 54). The Principal Employer shall not exercise these powers in a way which conflicts with those arrangements.

56 RESIGNATION

56.1 A Trustee who wants to resign shall comply with anything that arrangements for the appointment of member-nominated Trustees (see Rule 54) say about resignation. Subject to that, a Trustee may resign as trustee by a declaration under seal giving one month's notice to the Principal Employer and any other Trustees.

57 TRUSTEES' INTERESTS

57.1 No decision or exercise of discretion by the Trustee shall be invalidated on the grounds that a Trustee (or any director of a corporate Trustee) had any conflict of duty or interest in such decision or exercise of discretion. In particular, any Trustee (and any director of a corporate Trustee) may be a Beneficiary and may retain benefits under the Plan including any benefit resulting from the exercise of discretion by him or by a body which includes him. This Rule does not affect the duty owed by anyone who has a material interest to disclose that interest.
PLAN GOVERNANCE

58 GENERAL

58.1 The discretions conferred on the Trustee by the Rules shall be absolute and unfettered discretions and the Trustee shall not be obliged to give to any Member or any other person any reason or justification for any exercise of such discretion.

59 DECISIONS OF TRUSTEES

59.1 The Trustees may meet to carry out the management of the Plan and transact business in relation to the Plan. At meetings the Trustees may take a decision by a majority of the votes cast by those Trustees present.

59.2 If there is a sole corporate Trustee of the Plan, the proceedings of that corporate trustee shall be regulated by that company’s memorandum and articles of association.

59.3 The Trustees shall comply with the requirements in the PA1995 about giving notice of meetings and keeping records.

60 WRITTEN RESOLUTIONS

60.1 A written resolution signed by a majority of the Trustees shall be as effective as one passed at a meeting, if due notice has been given to all the Trustees of the resolution. A written resolution may consist of two or more documents in similar form each signed by one or more of the Trustees.

61 DELEGATION

61.1 The Trustee may delegate any of its duties, powers or discretions to anyone (including a committee) on any terms. The terms may allow sub-delegation. The Trustee will not have to supervise any delegate (including a committee).

61.2 Any discretion of the Trustee to make any decision about investments may not be delegated other than in accordance with section 34 of the PA1995 (see Rule 50 (Fund Managers)).

62 ARRANGEMENTS FOR THE RUNNING OF THE PLAN

62.1 The Trustee may from time to time in writing authorise such persons as it thinks fit to draw cheques on any bank account of the Plan or to endorse any cheque or to give receipts and discharges and so that any such receipt or discharge shall be as valid and effective as if it were given by the Trustee and so that the provision of a written authority of the Trustee shall be a sufficient protection to any person taking any such receipts or discharge or otherwise acting under or relying on such authority.

62.2 The Trustee may make arrangements generally for the administration of the Plan as it thinks fit. In particular, it may employ such agents and staff including a secretary to transact any business of the Plan, including the payment of pensions and benefits and any valid receipt given to such agents and staff shall be a good and sufficient discharge to the Trustee.

62.3 The Trustee may (subject to the powers for the time being exercisable by the Principal Employer or the Employers) exercise all rights authorities and discretions in connection with the Plan requisite or proper to enable them to carry out any transaction, act, deed or thing arising under or in connection with the Plan.

63 RESOLVING DISPUTES

63.1 If it is required to do so by section 50 of the PA1995, the Trustee shall make arrangements in accordance with those provisions for the resolution of disputes in connection with the Plan subject to those arrangements.
63.2 The Trustee has the power (to the extent which the law may permit) to determine conclusively all questions, matters of doubt or disputes arising in or in connection with these Rules (including both as to their construction and the benefits under them).

64 APPOINTMENT OF ADVISERS

64.1 If it is required to do so by the PA1995, the Trustee shall appoint an actuary and an auditor. It may also appoint any other advisers it sees fit including a medical practitioner or other professional persons, including pension consultants. All appointments must comply with any requirements in the Pensions Acts but otherwise may be on such terms as the Trustee decides. The cost of appointing such advisers shall form part of the expenses of the Plan under Rule 13 (Expenses).

64.2 No Trustee (or in the case of a corporate Trustee any member of its board of directors) may act as a professional adviser to the Plan.

65 DEALING WITH OTHER PEOPLE

65.1 The Trustee may contract with anyone, on any terms (including terms that allow recourse to the assets of the Plan) and for any purpose.

65.2 No Member or other person entitled to benefits under the Plan shall have any claim or right to any benefit except insofar as the Plan allows and in accordance with the Rules.

65.3 The Trustee may give such undertakings, indemnities or guarantees as the Trustee decides are appropriate for the efficient administration of the Plan and unless stated otherwise its successors shall be bound by them.

65.4 The Trustee may settle, compromise or submit to mediation or arbitration any claim or other matter relating to the Plan.

66 POWERS UNDER GENERAL LAW

66.1 The powers given to the Trustee under these Rules shall be in addition to all other powers given to them by general law and statute.

67 LIMIT OF TRUSTEE LIABILITY

67.1 A Trustee shall not be liable for anything except for wilful or fraudulent breach of trust, or in the case of a paid Trustee his negligence, but this Rule does not:

(a) limit the liability of a Trustee if, and to the extent that, legislation prohibits this; or

(b) limit the liability of a Trustee to the extent that the breach of trust or loss to the Plan is covered by insurance; or

(c) prejudice any protection or indemnity given by law to the Trustee.

67.2 This Rule applies, with any necessary changes, to former Trustees and to officers and employees of a corporate Trustee and to former officers and employees of a corporate Trustee. It continues after the Plan has been wound up. It does not apply to officers and employees (or former officers and employees) of a paid corporate Trustee.

67.3 The Trustee shall not be liable for any loss which results from having acted on any advice given to it by an adviser appointed under Rule 64 (Appointment of Advisers).

68 TRUSTEE INSURANCE

68.1 The Trustee may insure itself, any of its delegates and any of its delegates' employees (and any officer or employee of a corporate Trustee) against any liabilities incurred in connection with its Trusteeship of the Plan not involving wilful wrongdoing.
68.2 The Trustee may insure all the assets of the Plan or any of them against any losses arising from the administration and management of the Plan by it and any officers and employers of a corporate Trustee and any of its delegates and any of its delegates' employees.

68.3 Except in the case of a paid Trustee, the Trustee may pay the premiums for these insurances from the assets of the Plan, except for insurance covering risks in respect of which it is unlawful for it to do so.

69 TRUSTEE INDEMNITIES

69.1 The Employers, jointly and severally, undertake both before and after the winding-up of the Plan to indemnify each Trustee against all or any claims, costs, losses, damages, awards, expenses, compensation orders made by the Pensions Ombudsman or fines and penalties which may be paid or incurred against him through acting as a trustee of the Plan except where they arise from wilful wrongdoing to the extent that the same cannot for any reason be met out of the assets of the Plan. This indemnity does not apply in the case of a paid Trustee or to the extent that the liability in question is covered under an insurance policy, or would be so covered but for this Rule and Rule 67 (Limit of Trustee Liability). This Rule applies without prejudice to Rule 69.2.

69.2 This Rule 69.2 applies with effect from 1 October 2007 and applies without prejudice to Rule 69.1:

(a) It only applies:

(i) if the Plan has a corporate Trustee that is associated (within the meaning of s.256 of the Companies Act 2006) with an Employer, and

(ii) to directors of the corporate Trustee, except for anyone who is a professional trustee and is paid for acting as a director (or whose firm is paid).

(b) If this Rule 69.2 applies each of the directors of the corporate Trustee shall be indemnified, subject to the rest of this Rule, the Employers, jointly and severally, undertake both before and after the winding-up of the Plan to indemnify each of the directors of the corporate Trustee against all liability that:

(i) attaches to him in connection with any negligence, default, breach of duty or breach of trust in relation to the corporate Trustee (except in the case of wilful wrongdoing), and

(ii) arises in connection with the activities of that company as Trustee of the Plan.

But this indemnity does not cover:

(A) any liability a director has to pay a fine imposed in criminal proceedings, or 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 he incurs in defending criminal proceedings in which he is convicted (within the meaning of s.235 of the Companies Act 2006).

(c) This indemnity only applies to the extent that the liability in question cannot for any reason be met out of the assets of the Plan.

(d) This indemnity only applies to the extent that the director's liability is covered by an insurance policy (or, but for Rule 67 and this Rule 69, would be so covered).

69.3 This Rule 69 only applies if and to the extent that it is lawful as to the classes of person whose protection it refers to, and as to the categories of liability it relates to.
VALUATIONS AND ACCOUNTS

70 ACTUARIAL VALUATIONS AND REPORTS

Defined Benefit Section

70.1 The Trustee must obtain from an actuary actuarial valuations and actuarial reports at such intervals consistent with the section 224 of the PA2004 as the Trustee shall arrange in consultation with the Principal Employer but not exceeding three years. Valuations and reports must comply with the Pensions Acts.

70.2 The Trustee and the Employers shall provide the actuary with any information reasonably required to enable him to undertake any such valuation and shall cooperate so that an action plan is prepared setting out the timetable for the process of completing an actuarial valuation under section 224 of the PA2004. The Trustee shall require the actuary to report to it and the Principal Employer in writing on completion of each actuarial valuation.

70.3 The calculation of the technical provisions forming part of an actuarial valuation must comply with section 225 of the PA2004.

71 ACCOUNTS

71.1 The Trustee shall prepare annual accounts to the Plan and have them audited. The Trustee shall also prepare an annual report. The accounts and the report must comply with section 41 of the PA1995.
**EMPLOYERS**

72 **NEW PRINCIPAL EMPLOYER**

72.1 The Trustee may allow another employer or holding company to become the Principal Employer in relation to the Plan.

72.2 The existing Principal Employer must consent to any such replacement, unless it has been dissolved.

72.3 If that employer or holding company enters into a deed with the agreement of the Trustee by which it undertakes to perform the obligations of the Principal Employer under the Plan, the existing Principal Employer shall be released from those future obligations (except those that apply to it as an Employer, if relevant) and replaced by that employer or holding company as Principal Employer.

73 **BECOMING AN EMPLOYER**

73.1 The Principal Employer and the Trustee may agree to allow any employer to participate in the Plan provided that its status as a Registered Scheme is not prejudiced.

73.2 An employer that wants to participate must enter into a deed with the Principal Employer and the Trustee:

(a) agreeing to comply with the Rules (as amended from time to time); and

(b) unless the Principal Employer decides otherwise:

(i) nominating the Principal Employer to take decisions for it on matters relating to the provisions of the Pensions Acts; and

(ii) nominating the Principal Employer (or any other Employer chosen by the Principal Employer) to act for it in all the circumstances in which Pensions Acts allow (or require) the Employers participating in a scheme to nominate someone to act for them in consultations with the Trustee or for other purposes.

73.3 A list of the Employers currently participating in the Plan is in Appendix 3 to these Rules.

74 **CEASING TO BE AN EMPLOYER**

74.1 An Employer (other than the Principal Employer) shall cease to participate if:

(a) the Employer gives written notice to terminate its participation to the Trustee; or

(b) the Principal Employer requires it to cease to participate; or

(c) the Employer's continued participation would prejudice the status of the Plan as a Registered Scheme.

75 **EFFECT OF CEASING TO BE AN EMPLOYER**

75.1 If an Employer has stopped participating in the Plan, the following provisions apply.

**Benefits**

75.2 Each Member in Service with the Employer concerned will be treated as if the Member had left Service on the day the Employer ceased to participate. Each Member will become entitled to a preserved pension or a refund of contributions / Cash Transfer Sum as applicable under Rules 25 and 26, except that the Trustee may decide to provide alternative benefits as follows:
(a) the Principal Employer may agree to provide any Member who would otherwise have received a refund of contributions / Cash Transfer Sum under Rule 26 with a reserved pension calculated as described in Rule 25; and/or

(b) the Trustee may decide to make transfer payments as described in Rule 43 or to buy insurance Policies as described in Rule 45.

Employer liabilities

75.3 Subject to the remainder of this Rule, if a relevant event occurs in relation to an Employer within the meaning of section 75 of the PA1995, and the value of the assets of the Plan is less than the amount at that time of the value of its liabilities, the Employer shall be liable to pay to the Trustee the debt that is due in accordance with that section.

75.4 In accordance with the Occupational Pension Schemes (Employer Debt) Regulations 2005 (as they were in force on 31 March 2008), the liabilities attributable to employment with Avon Vibration Management Systems Limited (registered number: 2676395) were added (except for £1) to the Principal Employer’s liability share under the Plan by a deed of amendment dated 18 March 2008. Avon Vibration Management Systems Limited ceased to participate in the Plan on 31 March 2008.

75.5 In accordance with the Occupational Pension Schemes (Employer Debt) Regulations 2005 (as they were in force on 18 March 2008) and the transitional provisions of the Occupational Pension Schemes (Employer Debt and Miscellaneous Amendments) Regulations 2008, the liabilities attributable to employment with Avon-Ames Limited (registered number: 1105896) were added (except for £1) to the Principal Employer’s liability share under the Plan by a deed of amendment dated 18 March 2008. Avon-Ames Limited ceased to participate in the Plan on 31 March 2019.

75.6 Subject to compliance with the conditions of Regulations 6 and 6B of the Employer Debt Regulations (and in particular the funding test), the Principal Employer may from time to time and with the Trustee’s consent in writing reappoint an Employer’s share of the difference amongst one or more of the Employers with the effect of modifying the amount of any debt that would otherwise arise on a particular Employer or Employers under section 75 or 75A of the PA1995.

75.7 The Principal Employer shall supply the Trustee with sufficient relevant information in order to allow the Trustee to properly consider any proposal by the Principal Employer under this Rule. The Principal Employer and Trustee may agree that the Principal Employer shall pay for any independent advice obtained by the Trustee to assist it in the consideration of such a proposal, but otherwise the Trustee may pay for any such advice out of the assets of the Plan.

75.8 In this Rule 23:-

(a) "Employer Debt Regulations" means the Occupational Pension Schemes (Employer Debt) Regulations 2005 (as amended); and

(b) "employment-cessation event", "funding test", "liability share", "relevant event", "scheme apportionment arrangement", and "share of the difference" have the meanings given to those phrases in the Employer Debt Regulations.

75.9 This Rule 23 shall only be capable of affecting the liability that may arise under section 75 or Section 75A of the PA1995 in relation to an Employer, and not any other liability to contribute to the Plan under the Rules.
TERMINATION OF THE PLAN OR EITHER SECTION

TERMINATION OF THE DEFINED BENEFIT SECTION AND/OR THE DEFINED CONTRIBUTION SECTION

76.1 The Principal Employer may terminate either the Defined Benefit Section or the Defined Contribution Section at any time by giving written notice to the Trustee.

76.2 The Trustee will terminate the Defined Benefit Section and the Defined Contribution Section if the Principal Employer goes into liquidation, unless another person agrees to take over the role of the Principal Employer in relation to both Sections (under Rule 72 (New Principal Employer)).

76.3 The Trustee may also terminate the Defined Benefit Section if it receives actuarial advice that the contributions being paid by the Employers and reasonably expected from them in the future are so low as to prejudice seriously the long-term financial position of the Defined Benefit Section.

76.4 Each Member still in Service will be treated as if he had left Service with a preserved pension on the day the Plan terminates, regardless of the length of the Member's Qualifying Service but for Members who joined before 8 June 1992 the revaluation percentage described in Schedule 6 will be substituted for the percentage required by the Revaluation Laws under Rule 31.3.

RUNNING AS A CLOSED PLAN / SECTION

77.1 Following its termination, a Section or the Plan as a whole shall be continued as a closed section or scheme as applicable and:

(a) the Trustee will continue to provide benefits in accordance with the Rules;

(b) no-one else may join the relevant Section(s);

(c) the liability to pay contributions under Rule 11 (Employer Contributions) and Rule 9 (Member Contributions) in relation to the relevant Section(s) shall cease (save in respect of any contributions assessed and due before the date of termination);

(d) no further benefits shall accrue to Members under the relevant Sections(s);

(e) at any time before the Trustee decides to wind up either Section or the Plan, the Trustee and the Principal Employer may agree to open either Section or the Plan, as the case may be, so that Employees can again start qualifying for benefits;

(f) the Trustee may at any time decide to wind up the Defined Benefit Section or the Defined Contribution Section or the Plan as a whole in accordance with Rule 78 (Order of Priority on Winding-up) at any time after the relevant Section or the Plan has terminated; and

(g) otherwise all the Rules remain in force while the Section or Plan continues as a closed section or scheme.

ORDER OF PRIORITY ON WINDING-UP

Defined Benefit Section

78.1 On the winding-up of the Defined Benefit Section, the Trustee shall apply the DB Fund;

(a) first, in discharging the expenses of the administration of winding up the Defined Benefit Section (which shall be paid in accordance with Rule 13 (Expenses)); and

(b) secondly, in satisfying the obligations calculated where appropriate in accordance with Section 73(3) of the PA1995.

78.2 Any assets then remaining will be used by the Trustee:
(a) first, to pay all sums due before the winding up started, including lump sums in respect of Members who have died within 2 years before the winding up started; and

(b) secondly, to satisfy any remaining liabilities of the Defined Benefit Section to any extent, and in any order of priority, as the Trustee considers appropriate.

78.3 If after the application of the Defined Benefit Section there remains any surplus, the Trustee may apply the whole or part of such surplus in increasing the benefits to be secured from the Defined Benefit Section and/or granting new or additional benefits as the Trustee may consider fair subject to the Pre-2006 Limits.

78.4 Any assets then remaining shall be paid to the Employers, in such shares as the Trustee considers appropriate. The requirements of Section 76 of the PA1995 and Section 177 of the FA2004 must be satisfied before any payment is made to the Employers.

78.5 In no circumstances shall the assets of the Defined Contribution Section be used in the satisfaction of any liabilities under the Defined Benefit Section. The above provisions of this Rule are subject to this restriction.

Defined Contribution Section

78.6 In no circumstances shall the Accounts be used in the satisfaction of any liabilities under the Defined Benefit Section. The remainder of this Rule is subject to this restriction.

78.7 On the winding-up of the Defined Contribution Section, the Trustee shall first apply AVC interests in securing AVC benefits and then apply the Accounts in satisfying the following obligations in the following order:

(a) firstly, in discharging the expenses of the administration of the Defined Contribution Section which shall be paid in accordance with Rule 13 (Expenses) provided that if and to the extent that the Trustee is unable to recover payment from the Employers or the DC Expenses Reserve it shall meet the expenses by making a pro rata deduction from the Accounts of each Member of the Defined Contribution Section provided that for the purpose of this deduction, Member contributions in excess of 5% and the investment return thereon shall be ignored;

(b) secondly, in paying any capital sums received by the Trustee to be held on the death benefit trusts of Rule 21 (Payment of Death Lump Sums) for distribution following the death of a Member of the Defined Contribution Section;

(c) thirdly, in making a refund to Members of the Defined Contribution Section with less than two years' Qualifying Service, and in applying the Members' Accounts (or their remainder) in securing benefits for the Member of the Defined Contribution Section and any one or more of his Dependants having due regard to any notice provided under Rule 14.3 (Payment of Benefits at Normal Pension Date) provided that they are Authorised Payments.

78.8 Any surplus assets under the Defined Contribution Section will be applied by the Trustee in favour of the Members of the Defined Contribution Section as it considers to be fair.

78.9 Any assets then remaining shall be paid to the Employers, in such shares as the Trustee considers appropriate. The requirement of Section 76 of the PA1995 and Section 177 of the FA2004 must be satisfied before any payment is made to the Employers.

78.10 The decisions of the Trustee about the application of the Accounts shall be absolute and final, and every recipient shall accept the benefit in full discharge of all claims against the Plan, and shall have no further claim whatsoever.
METHOD OF SECURING BENEFITS ON WINDING-UP OF A SECTION OR THE PLAN

Defined Benefit Section

79.1 The Trustee will buy an Insurance Policy from an Insurance Company in the name of each person entitled to benefits under the Defined Benefit Section, except for those for whom it provides benefits under Rule 79.6. If the Trustee has already bought suitable Insurance Policies it may transfer them into the names of the people entitled to benefits.

79.2 The Insurance Policies must provide as nearly as practicable the same benefits that would otherwise have been provided under the Defined Benefit Section for, and in respect of, the Beneficiaries for whom they are bought. However, an Insurance Contract may provide different benefits (including money purchase benefits), if the Trustee decides that this would be in the best interests of those entitled to benefits.

Defined Contribution Section

79.3 The Account of each Member of the Defined Contribution Section shall be applied to purchase a non-assignable non-commutable deferred or contingent annuity on his life from an Insurance Company selected by the Trustee, except for those for whom it provides benefits under Rule 79.6. If the Trustee has already bought suitable Insurance Policies it may transfer them into the names of the people entitled to benefits.

General

79.4 The Insurance Policies must be consistent with the Preservation, Revaluation and Contracting-out Laws and must give rise to Authorised Payments.

79.5 On securing benefits in respect of a Member or Beneficiary in accordance with this Rule, the Trustee shall be discharged from its liability in respect of the Member or Beneficiary concerned under Rule 78 (Order of Priority on Winding-up) so that no further benefits will need to be secured for or in respect of that Member or Beneficiary.

79.6 Instead of securing the benefits of a Member or Beneficiary in accordance with Rule 79.1 or 79.3, the Trustee may:

(a) make a transfer in respect of all or any of the Members or Beneficiaries in accordance with Rule 43 (Making Transfers). A transfer of benefits in respect of Contracted-out Employment must be approved by the Secretary of State in accordance with Section 50 of the PSA;

(b) make a transfer or purchase or assign an Insurance Policy in accordance with Rule 42 (Members' Statutory Rights to Transfer) or Rule 45 (Buying-out Benefits);

(c) pay a Winding-up Lump Sum to the Member, to include any pensions payable on his death; or

(d) in respect of a pension payable to a Spouse or Dependant, pay him a Winding-up Lump Sum Death Benefit.

79.7 Until the completion of the winding-up of the Section or Plan (as applicable), such of the Rules as are not inconsistent with Rule 78 (Order of Priority on Winding-up) and the foregoing provisions of this Rule 79 shall continue in full force and effect except that the power of amendment under Rule 88 (Amendment) may be exercised by the Trustee alone.
SPECIAL RULES

80 OPERATION AS A REGISTERED SCHEME

80.1 The Plan is a Registered Scheme for the purposes of FA2004 and is designed to provide Authorised Payments in accordance with that Act. The Trustee shall administer the Plan in accordance with the provisions of the FA2004 applicable to Registered Schemes (including without limitation the transitional provisions in schedule 36 to the FA2004). This Rule 80.1 shall override any other inconsistent Rule.

80.2 Under a deed of amendment dated 6 April 2006 in relation to each of the three editions of the previous rules governing the Plan, the Trustee with the consent of the Principal Employer resolved that the Registered Pension Schemes (Modifications of Rules of Existing Schemes) Regulations 2006 do not apply to the Plan since 6 April 2006. The Trustee and the Principal Employer agreed to each use all reasonable endeavours to ensure that the Plan is altered and administered as so altered and modified by that resolution. The Trustee with the consent of the Principal Employer to determine any matters of ambiguity or dispute arising out of the deemed modifications under those deeds of amendment and the application of the FA2004 to the Plan.

80.3 The activities of the Plan shall be limited on and from 6 April 2006 to retirement-benefit activities as defined in Section 255 of the FA2004 (as that definition may be modified whether by formal amendment or judicial interpretation or informally by official practice).

80.4 This Rule shall override any other inconsistent Rule. Subject to Rules 80.5 and 80.6 and to the restrictions of the Plan's amendment power, section 67 of the FA1995 and section 37 of the S3SA:

(a) no payments shall be made under the Plan which would be Unauthorised Payments;

(b) Members shall not earn through Pensionable Service on or after 6 April 2006 any rights that would give rise to Unauthorised Payments;

(c) no transfer shall be made to or from the Plan which is not a Recognised Transfer; and

(d) the Plan shall be managed and administered in a manner that is consistent with it remaining a Registered Scheme.

80.5 The Trustee with the consent of the Principal Employer shall have power to make payment from the Plan notwithstanding that it is or may be an Unauthorised Payment. The Trustee must obtain the consent of the beneficiary before making any such payment but no person shall have an entitlement to such a payment.

80.6 Rule 80.4 shall not prevent amendments of the Plan being made under Rule 88 (Amendment) that give rise to other Unauthorised Payments.

80.7 Subject to the exceptions mentioned below, and any express provision in these Rules (including any definition necessary to give it effect), the Pre-2006 Limits shall continue to apply to the Plan after 5 April 2006. The Trustee's decision about how to interpret the limits that applied to the Plan on 5 April 2006 shall be final. The exceptions referred to above are as follows:

(a) the limits on commutation of pension for lump sum applicable on 5 April 2006 shall not apply;

(b) the earnings cap that applied under section 590C of the Income and Corporation Taxes Act 1988 as it was in force immediately before 6 April 2006 shall not apply to benefits accrued under the Plan in respect of Pensionable Service completed after 5 April 2006 (see: further Rule 82 (Earnings Cap));
the Trustee and the Company may agree from time to time in writing that the Pre-2006 Limits may be relaxed to any extent (provided that this power must not be exercised in a way that would contravene legislation relating to the Plan), whether by:

(i) wholly or partly permitting any provision of the Plan to operate as not being subject to the Pre-2006 Limits;

(ii) providing new rights or extending existing ones; or

(iii) providing benefits that are different, or subject to different terms, from those set out elsewhere in the provisions of the Plan.

81 DISCRETIONARY AND SPECIAL BENEFITS

81.1 If the Principal Employer so requests and the Employers pay any additional contributions that the Trustee considers appropriate (for which purpose the Trustee will consider actuarial advice), the Trustee may provide:

(a) increased or additional benefits in respect of any Member;

(b) benefits in respect of any Member or Members different, or on different terms, from those set out elsewhere in the Rules;

(c) benefits in respect of any Employee or former Employee of an Employer or any Spouse or Dependant of a former Employee (or for any other person) but any such pension or other benefits must be Authorised Payments.

81.2 All such benefits under this Rule 81 shall be consistent with the Preservation, Revaluation, Contracting-out and Transfer Value Laws, and shall be in a form and of an amount which does not give rise to Unauthorised Payments.

82 EARNINGS CAPS

82.1 Any term used in the Plan as a measure of the annual earnings of a Class A Member for the purpose of calculating benefits payable to and in respect of him under the Plan is to be interpreted as though those earnings are no greater than the Permitted Maximum in relation to benefits attributable to Pensionable Service before 6 April 2006, but not on and after that date. The Permitted Maximum shall accordingly apply to limit the Pensionable Salary of any Class A Member in relation to benefits attributable to Pensionable Service before 6 April 2006, but not on and after that date.

83 MEMBERS WITH SPECIAL BENEFITS

83.1 Members who left Service or reached Normal Pension Date before 6 April 1997 will have their benefits calculated in accordance with the Rules in force at the time of leaving Service or reaching Retirement Date (including pension increases), but the benefits shall be paid in accordance with the rules of the Plan dated 28 November 1997 (as amended) replaced by these Rules (except in relation to pension increases). However, the options for drawing benefits under these Rules shall (where no worse) be available to such Members.

83.2 Members aged less than 50 on 1 December 1993 who were in Service at that date have the following right under the Plan. The total benefits payable in respect of such a Member (including those accrued both before, on and after 1 December 1993) will never be less than those to which such a Member either:

(a) would have been entitled on leaving Service if he had left Service immediately before 1 December 1993; or
could have become entitled on retirement or dismissal as the case may be if on 1 December 1993 he were to have retired or have been dismissed for a reason other than for fraud or misconduct.

84 PART-TIME SERVICE

Defined Benefit Section

84.1 If a Member's Pensionable Service includes a period of Part-time Service, his Pensionable Service and Pensionable Salary will be adjusted as the Trustee, considers equitable taking into account the number of hours per week worked by the Member from time to time, and after considering actuarial advice.

84.2 The Trustee shall notify the benefits payable to the Member.

85 CONTRACTED-OUT BENEFITS FOR SERVICE BEFORE AND AFTER 6 APRIL 1997

Defined Benefit Section

Protected Rights

85.1 The employments of all Members of the Defined Benefit Section in Service after 6 April 1997 shall be contracted-out on a protected-rights basis by reference to the Plan by virtue of section 9(3) of the PSA. At the date of execution of these Rules it is anticipated that it all contracting-out under the Scheme will cease on 30 September 2009.

85.2 The Protected Rights Rules in Schedule 5 apply to the Plan in relation to all Members of the Defined Benefit Section with Pensionable Service on or after 6 April 1997 and shall apply in relation to those Members' benefits which are attributable to Active Membership under the Defined Benefit Section, or have been credited on a transfer, on and after 6 April 1997. In addition, the Rules (including the definition of Spouse, Widow and Widower) which apply to the Defined Benefit Section shall be treated as modified if and to the extent necessary for the purpose of satisfying sections 26 to 32 of the PSA and the "Relevant Requirements" within the meaning in section 9(6) of the PSA.

85.3 The Trustee will maintain an account for each Member in Contracted-out Employment by reference to the Defined Benefit Section (a "Protected Rights Account"). Each Member's Protected Rights Account shall be credited with the payments to which the Protected Rights Rules set out in Schedule 5 apply. The crediting of payments to a particular Member's Protected Rights Account is for benefit calculation purposes only. It does not affect the fact that the assets of the Defined Benefit Section are held as a common trust fund from which all the benefits are provided. No Member or other person entitled to benefits is entitled to any specific assets of the Plan.

85.4 The proceeds of the Member's Protected Rights Account will be used to give effect to the Member's Protected Rights, in accordance with the Contracting-out Laws. The benefits from the Member's Protected Rights Account will be determined by the Trustee and will form part of a benefit of the same kind provided under other Rules of the Plan.

85.5 If the amount of the benefits from the Member's Protected Rights Account is different from the benefits of the same kind described in other Rules (for example, because they are payable at different times or rates, or increase at different rates), the Trustee will provide the benefits from the Protected Rights Account and will adjust all other benefits that become payable under the Plan as it considers appropriate. Benefits from the Member's Protected Rights Account may only be paid before Pensionable Age if the Trustee can adjust the Member's other benefits (without increasing their value) in a way that is consistent with the Contracting-out Laws and the Plan's status as a Registered Scheme.

85.6 If a Member (or Widow or Widower) requires the Trustee to use a Protected Rights Account to buy an annuity in accordance with the Contracting-out Laws, the Trustee will adjust the benefit described elsewhere in these Rules as it considers appropriate. If the annuity is less than the Protected Rights
Pension that would otherwise have been provided under the Plan, the Trustee will adjust the benefits as if the annuity were equal to the Protected Rights Pension.

85.7 If a Member dies and the Trustee is required by the Contracting-out Laws to pay the value of the Member's Protected Rights Account in accordance with the Member's directions or to the Member's estate, the Trustee will adjust any other benefits that become payable under the Plan as it considers appropriate.

85.8 The Trustee will also adjust the Member's benefits if, for any period of Pensionable Service, age related payments in respect of the Member are payable otherwise than to the Plan.

85.9 The value of all the benefits (including death benefits) provided for a Member of the Defined Benefit Section under the Plan will be equal to the greater of:

(a) the total value of:

   (i) the Member's Protected Rights Account; plus

   (ii) any GMPs payable to or in respect of him under the Plan; plus

   (iii) the proceeds (as determined by the Trustee) of any contributions paid by the Member on or after 6 April 1997 in addition to the Member's share of the Minimum Payments (as defined in Schedule 5); and

(b) the value of the benefits (including death benefits) that would have been provided for the Member apart from this Rule.

85.10 The Trustee will calculate the value of any benefit in a way it considers fair, and which is consistent with the Contracting-out Laws.

GMPs

85.11 Rules 85.11 to 85.18 relating to GMPs apply to the Plan in relation to:

(a) A Member of the Defined Benefit Section whose employment before 6th April 1997 was contracted-out by reference to the Plan;

(b) benefits accrued by his Pensionable Service under the Defined Benefit Section during such period of contracted-out employment up to and including 5th April 1997; and

(c) any liability for GMPs assumed by the Plan on a transfer to the Plan under Rule 44 (Receiving Transfers) and not converted to Protected Rights,

and shall to that extent override the other provisions of these Rules.

85.12 If a Member of the Defined Benefit Section has a guaranteed minimum under section 14 of the PSA (earner's guaranteed minimum) in relation to a pension provided by the Plan:

(a) the weekly rate of the Member's pension under the Plan at Pensionable Age in respect of the Member's Pensionable Service under the Defined Benefit Section before 6th April 1997 shall not be less than that guaranteed minimum;

(b) the weekly rate of pension payable to any Widow of the Member under the Plan in respect of the Member's Pensionable Service under the Defined Benefit Section before 6th April 1997 shall not be less than half the Member's guaranteed minimum; and

(c) the weekly rate of pension payable to any Widower of the Member under the Plan in respect of the Member's Pensionable Service under the Defined Benefit Section before 6th April 1997 shall not be less than half the part of the Member's guaranteed minimum which is attributable
to earnings factors for the 1988-1989 tax year and subsequent tax years up to and including the 1996-1997 tax year.

85.13 A Member's GMP shall be payable for life, and the GMP of a Member's Widow or Widower shall also be payable for such a period as will satisfy the Contracting-out Laws.

85.14 If payment of a Member's pension under the Plan is postponed the consent of the Member shall be required to the postponement of his GMP beyond Pensionable Age if:

(a) such postponement is by virtue of employment to which the Plan does not relate; and/or

(b) such postponement is to continue more than five years after Pensionable Age.

If payment of a GMP is postponed, a GMP shall be increased in accordance with the Contracting-out Laws.

85.15 Where a Member ceases to be in Contracted-out Employment before Pensionable Age, the Member's GMP at Pensionable Age or at the Member's earlier death will be calculated by increasing the accrued rights to GMP at cessation of Contracted-out Employment under one of the options (A) or (B) below.

(A) Section 148 Revaluation

The increase will be by the percentage by which earnings factors for the tax year in which Contracted-out Employment ceases 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 Pensionable Age (or dies, if earlier).

(B) Fixed Rate Revaluation

The increase will be by the rate prescribed under Regulation 62 of the Occupational Pension Schemes (Contracting-out) Regulations 1996 and applicable at the date Contracted-out Employment ceases, for each complete tax year after the tax year containing that date up to and including the last complete tax year before the Member reaches Pensionable Age (or dies, if earlier).

The Trustee and the Principal Employer shall decide which option applies to the Plan. They may at any time decide that the other method shall be used, instead of the method currently being used, for all Members ceasing to be in Contracted-out Employment after a specified date. A different method may apply where GMP liabilities are discharged by transfer to an Insurance Company.

85.16 Any GMP to which a Member, Widow or Widower is entitled under this Rule 85 shall, in so far as it is attributable to earnings in the tax years from and including 1988/1989, be increased in accordance with the requirements of Section 109 of the PSA.

85.17 If a Member has accrued rights to a GMP and receives a refund of contributions on leaving service the Trustee may discharge the GMP liability by paying a contributions equivalent premium in accordance with the PSA. Whether or not the premium is paid, the amount of the refund shall be reduced by the certified amount of the premium. The GMP liability shall be discharged without payment of the premium if the amount of the premium would be less than £17 (or such other amount as may be prescribed under the PSA).

85.18 A Member's GMP may not be commuted except as stated in this Rule 85.18:

(a) The Trustee may commute a Member's pension which includes section 9(2B) Rights or GMP for a cash sum where:

(i) the lump sum would qualify as a Trivial Commutation Lump Sum;

(ii) the lump sum would qualify as a Winding-up Lump Sum; or
(iii) the Member is retiring on grounds of Serious Ill Health and is being paid a Serious Ill Health Lump Sum.

(b) If the pension includes GMP, commutation may take place before Pensionable Age only if the Member is retiring from Service or the Plan is being wound-up and a state scheme premium has been (or is treated as having been) paid. Otherwise the pension may be commuted when it would have come into payment or at such other time as would not make it an Unauthorised Payment.

(c) Subject to Schedule 5 (Protected Rights Rules) the Trustee may at the same time as it commutes the Member's pension under Rule 85.18(a) above also commute any pension prospectively payable to survivors on the Member's death and the cash sum may be paid, as the Trustee decides, to the Member or to the person who would otherwise have been entitled to the pension. However, in the case of commutation for a Serious Ill Health Lump Sum, the Plan must retain liability for the payment of survivors' pensions in accordance with the Contracting-out Laws.

(d) If a Member has died and a pension is payable on the Member's death, the Trustee may commute it for a cash sum if it would qualify as a Trivial Commutation Lump Sum Death Benefit or Winding-up Lump Sum Death Benefit.

(e) The rate of conversion of pension to a cash sum for the purpose of this Rule must be certified as reasonable by the actuary and must also be such that the Secretary of State for Social Security can be satisfied that it is reasonable.

Both Sections

Operation of the Plan

85.19 The Trustee will operate the Plan in accordance with the Contracting-out Laws applicable to money purchase contracted-out schemes. These Rules will be treated as including Rules to the effect of any rule that must be included for the Plan to be contracted-out in relation to a Member's Service. This Rule overrides all other provisions of the Plan, except those that are in accordance with the FSA.

Ceasing to be a contracted-out scheme

85.20 If the Plan ceases to be a contracted-out scheme, the Trustee must make arrangements in relation to GMPs and Protected Rights and Section 9(2B) Rights (if any) which comply with the requirements of Section 50 of the PSA. The Trustee must also notify Members and other beneficiaries in the manner, and at the times, required by the PSA. If state scheme premiums as described in Part III of the PSA are paid or deemed to have been paid, the Trustee shall reduce or adjust benefits in the manner which it thinks appropriate, after consulting the actuary, and which complies with the requirements of the PSA.

86 PENSION SHARING

86.1 Where the benefits of a Member are subject to the provisions of a Pension Sharing Order the following shall apply:

(a) the benefits payable in respect of the Member in accordance with these Rules shall be reduced by the debit applicable in accordance with Section 29(1)(a) of the WRPA;

(b) any Pension Credit will be discharged by a transfer to a qualifying arrangement under paragraph 1(3) of Schedule 5 to the WRPA, unless the Trustee discharges the Pension Credit by offering membership of the Plan. Any benefits consequently provided under the Plan shall be treated as provided separately from any benefits provided under the Plan for the same individual as an Employee or as a Spouse or Dependant of an Employee. The Ex-Spouse shall be regarded as a Member for the purposes of the Rules to the extent considered appropriate by the Trustee.
(c) any Pension Credit Benefit may be discharged in any manner consistent with the W.R.P.A., as
determined by the Trustee. Where the Trustee discharge its liability in accordance with the
PCB Regulations it shall, where applicable, ensure that the payment, allocation or value of
benefits to be provided is at least equal to the amount described in Regulation 11 of the PCB
Regulations. If a Pension Credit Benefit has come into payment to an Ex-Spouse, it shall be
treated in the same way on the winding-up of the Plan as the rights of a Pensioner.

86.2 If the Ex-Spouse of a Member dies before the Trustee has implemented a Pension Sharing Order in
respect of them, then subject to the provisions of this Rule 86 the Trustee shall use the cash
equivalent of the Ex-Spouse's Pension Credit Rights under the Pension Sharing Order (calculated in
accordance with PCB Regulations) to provide such lump sum benefits on the discretionary trusts of
Rule 21 (Payment of Death Lump Sums) and pensions for the spouse or Dependents of the Ex-
Spouse as they shall decide. For the purposes of this Rule, references to "Member" in Rule 21
(Payment of Death Lump Sums) and the definition of "Pensionable Child" and "Dependant" shall be
replaced by reference to the "Ex-Spouse". Any pension so payable shall be paid for life or in the
case of a child of the Ex-Spouse for so long as the child remains a Pensionable Child. The consent
of the Principal Employer is needed for any pension to be payable from the Plan.

86.3 Where the Trustee has granted benefits under the Plan in relation to a Pension Sharing Order in
respect of a transfer under Rule 44 (Receiving Transfers) the Member will be entitled to Safeguarded
Rights under the Plan insofar as such benefits are derived from Contracted-out rights (as defined in
Section 68A(5) of the PSA). Such Safeguarded Rights shall be separately identifiable from any
other benefits of the Member or Ex-Spouse Member under the Plan.

86.4 The Trustee shall comply with all legislation dealing with such Safeguarded Rights (and shall
exercise any options and give effect to Safeguarded Rights in such manner allowed under such
legislation as they decide) and these Rules shall be deemed to be modified accordingly.

86.5 The Trustee may give effect to Safeguarded Rights of a Member or Ex-Spouse Member who has
died after becoming entitled to payment of benefit derived from Safeguarded Rights by making
payments to such of the persons specified in regulation 9(8) of the Safeguarded Rights Regulations
as the Trustee shall decide. The Trustee may suspend or forfeit Safeguarded Rights or payments
giving effect to Safeguarded Rights in circumstances described by regulation 12 of the Safeguarded
Rights Regulations.

86.6 The Trustee shall give effect to the Safeguarded Rights of a Member or an Ex-Spouse Member by
the provision of a pension for life except where the circumstances set out in paragraph 9(2), 3) or (4)
of the Safeguarded Rights Regulations apply. A Member or Ex-Spouse Member entitled to give
notice under section 101F(1) of the PSA may not apply under section 95 of the PSA for 1. transfer
payment unless he also gives and does not withdraw notice under section 101F(1) of the PSA.
Withdrawal of notice may only be made in respect of both such notices. This Rule overrides any
inconsistent provisions elsewhere in the Plan.

86.7 Subject to 86.3 above an Ex-Spouse Member may request that the Trustee arranges a transfer of his
Pension Credit Rights to another pension arrangement provided that the transfer will qualify as a
Recognised Transfer. The Trustee must confirm to the receiving scheme or arrangement that the
transfer value consists wholly or partly of Pension Credit Rights for the benefit of an Ex-Spouse
Member.

86.8 The assignment of part or all of the Member's retirement benefits or rights to benefits under the Plan
to his/her Ex-Spouse may be permitted by the Trustee to the extent necessary to comply with a
Pension Sharing Order.

86.9 Any reference to a statute (or to a particular chapter, part or section of, or schedule to, a statute)
includes any corresponding legislation in Northern Ireland.
86.10 The Trustee may recover from a Member and his Spouse or Ex-Spouse any reasonable administrative expenses incurred or likely to be incurred by it in connection with pension sharing, including cost relating to the provision of information, in accordance with the WRPA.

87  EQUIVALENT PENSION BENEFITS

87.1 Subject to Section 91(5)(c)(iii) PA1995, where the only benefits payable under the Plan in respect of a Member consist of equivalent pension benefits, the Trustee may in its discretion compound their liability to provide such benefits in respect of the Member.
AMENDMENT

88 AMENDMENT

88.1 The Trustee may, with the written consent of the Principal Employer, by deed alter or add to or replace these Rules at any time (and, subject to Section 67 of the PA1995 (subsisting rights provisions), may do so retrospectively.

88.2 No alteration or addition may be made which would:

(a) without the consent in writing of the beneficiary diminish any benefit which has become payable before the effective date of the alteration or any benefit to which a Member has become entitled on the termination of the Member’s Service before that date or could become entitled if at that date the Member were to retire or be dismissed for a reason other than fraud or misconduct;

(b) Change the main purpose of the Plan namely the provision of pensions for Members on their retirement from Service at a specified age;

(c) Except to any extent which may by law be authorised, authorise payment to any of the Employers of any of the assets of the Plan;

(d) Change the provisions of this Rule.

But any alteration which purports to do any of these shall be void only to that extent.
GOVERNING LAW

89 GOVERNING LAW

89.1 The law of England and Wales governs the Plan and the running of it. The parties to the Plan shall be subject to the jurisdiction of the Courts of England.
SCHEDULE 1

Main Category Members

Membership and Benefits

1 MEMBERSHIP OF THE PLAN (RULE 3)

The conditions for eligibility as a Main Category Member of the Defined Contribution Section are:

(a) he is in Service as a permanent hourly paid Works Employee or a permanent salaried Staff Employee; and

(b) he has not reached age 64; and

(c) he is not a Cross-Border Employee.

2 TERMINATION OF MEMBERSHIP (RULE 4.3(b))

There is no relevant discretion for the purposes of Rule 4.3(b) in relation to Main Category Members.

3 PAYMENT OF BENEFITS (RULES 14 AND 25)

Defined Benefit Section

3.1 The preserved benefits in respect of a Member of the Defined Benefit Section shall be calculated as set out below, by reference to his Final Pensionable Salary at and his Pensionable Service to his date of leaving Pensionable Service.

3.2 The initial annual rate of pension payable to a Member in respect of periods of Pensionable Service completed in the Defined Benefit Section as a Staff or Works Employee shall be the total of the amounts set out in the tables below. In respect of any incomplete year of Pensionable Service in the relevant period, an appropriate proportion of the fraction specified will be added.

3.3

<table>
<thead>
<tr>
<th>Complete years of Pensionable Service</th>
<th>For Service as Staff and/or Works Employee</th>
<th>Fraction of Member's Final Pensionable Salary accrued</th>
</tr>
</thead>
</table>
| (a) on and after 1 July 2003         | Staff and Works                          | (i) 1/80^a if he contributed at a rate of 5% of Pensionable Salary;  
                                         |                                           | (ii) 1/70^a if he contributed at a rate of 6.25% of Pensionable Salary; and  
                                         |                                           | (iii) 1/60^a if he contributed at a rate of 7.5% of Pensionable Salary |
| (b) before 1 July 2003                | Staff                                    | 1/60^b                                           |
| (c) on and after 1 April 1988 and    | Works                                     | 1/60^c                                           |
|   before 1 July 2003                  |                                          |                                                  |
| (d) on and after 1 April 1986 and    | Works                                     | 1/70^c                                           |
|   before 1 April 1988                |                                          |                                                  |
| (e) on and after 6 April 1978 and    | Works                                     | 1/80^c                                           |
|   before 1 April 1986                |                                          |                                                  |
(f) before 6 April 1978

Works

(i) 1/80th for the first year;
(ii) plus the greater of:

(A) 1/120th (but 1/170th instead if the Member's Pensionable Service ceased before 1 April 2000), except for the period to which 1/80th applied under 3.3(f)(i) above; or

(B) the amount of pension (not based on Final Pensionable Salary) calculated in accordance with the table at paragraph 3.4 below, except for the period for which a fraction of 1/80th applied under 3.3(f)(i) above. The amount calculated up to 1 January 1984 shall be increased by 20% at that date. The total amount shall be increased by 5% compounded in each year of Pensionable Service from 6 April 1984 up to Normal Pension Date or the date of leaving Service if earlier.

3.4 The table referred to in paragraph 3.3(f) for Pensionable Service as a Works Employee is as follows:

### MALES

<table>
<thead>
<tr>
<th>Years of Pensionable Service</th>
<th>Amount of pension for each year of Pensionable Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to 1947</td>
<td>50p</td>
</tr>
<tr>
<td>1 April 1947 to 5 April 1956</td>
<td>£1</td>
</tr>
<tr>
<td>6 April 1956 to 5 October 1969</td>
<td>£2</td>
</tr>
<tr>
<td>6 October 1969 to 5 April 1971</td>
<td>£7.80</td>
</tr>
<tr>
<td>6 April 1971 to 5 April 1972</td>
<td>£8.84</td>
</tr>
<tr>
<td>6 April 1972 to 5 April 1973</td>
<td>£9.88</td>
</tr>
<tr>
<td>6 April 1973 to 5 April 1974</td>
<td>£10.92</td>
</tr>
<tr>
<td>6 April 1974 to 5 April 1975</td>
<td>£11.96</td>
</tr>
<tr>
<td>6 April 1975 to 5 April 1978</td>
<td>1/80th of Pensionable Salary in each year (as determined by the Principal Employer)</td>
</tr>
</tbody>
</table>

### FEMALES

<table>
<thead>
<tr>
<th>Years of Pensionable Service</th>
<th>Amount of pension for each year of Pensionable Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to 1973</td>
<td>£4</td>
</tr>
<tr>
<td>1 April 1973 to 5 April 1974</td>
<td>£9.36</td>
</tr>
<tr>
<td>6 April 1974 to 5 April 1975</td>
<td>£10.42</td>
</tr>
<tr>
<td>6 April 1975 to 5 April 1978</td>
<td>1/80th of Pensionable Salary in each year (as determined by the Principal Employer)</td>
</tr>
</tbody>
</table>
4 DEATH AFTER PENSION STARTS (BEFORE NORMAL PENSION DATE) (RULE 19.3)

Defined Benefit Section

4.1 If the Pensioner drew his pension on ceasing Pensionable Service as a Main Category Member a lump sum will be payable on his death before Normal Pension Date equal to either:

(a) if he joined the Plan before 1 October 1991, four times the Member’s Pensionable Salary in the complete tax year before the pension started. (If the Member was not in Service for a complete tax year, his Pensionable Salary will be the annual rate at the date of his retirement for this purpose); or

(b) if he joined the Plan on or after 1 October 1991, £1,200 (or such other amount as the Principal Employer determines).

4.2 A lump sum will be payable on the death of a Pensioner under the Main Category before Normal Pension Date (regardless of the circumstances in which he drew his pension), if no lump sum is payable under paragraph 4.1(a) above and the Pensioner dies within five years after his pension has started. The lump sum will be an amount equal to the balance of pension instalments that would otherwise have been paid during the remainder of the five year period (disregarding any future increases). This lump sum will be paid in addition to any lump sum paid under paragraph 4.1(b).
SCHEDULE 2

Executive Category Members

Membership and Benefits

1  MEMBERSHIP OF THE PLAN (RULE 3)

The conditions for eligibility as an Executive Category Member of the Defined Contribution Section are:

(a) he is in Service as a permanent salaried Executive Employee; and

(b) he has not reached age 64; and

(c) he is not a Cross-Border Employee.

2  TERMINATION OF MEMBERSHIP (RULE 4.3(B))

For the purposes of Rule 4.3(b), the Principal Employer has the following discretion.

If the Member transfers to Service as a permanent hourly paid Works Employee, or a permanent salaried Staff Employee, the Principal Employer may decide that the Member will continue to be eligible for Membership under the Executive Category.

3  PAYMENT OF BENEFITS (RULES 14 AND 25)

Defined Benefit Section

3.1  The preserved benefits in respect of a Member of the Defined Benefit Section shall be calculated according to the formula:

\[ A + \left( \frac{B}{C} \times (D - A) \right) \]

where:

A = the annual rate of pension in respect of the Member's Pensionable Service prior to joining the Executive Category, based on his Final Pensionable Salary at the date of ceasing Pensionable Service under the Executive Category;

B = the Member's actual Pensionable Service as a Member of the Executive Category of the Defined Benefit Section;

C = the Member's notional Pensionable Service as a Member of the Executive Category of the Defined Benefit Section until the earlier of Normal Pension Date and the date on which the Member would have completed 40 years of Pensionable Service (in all Categories);

D = the Member's anticipated annual rate of pension at Normal Pension Date (calculated in accordance with paragraph 3.2 below) had he remained in Pensionable Service until Normal Pension Date based on his Final Pensionable Salary at the date of ceasing Pensionable Service under the Executive Category.

3.2  For the purposes of paragraph 3.1 above, the anticipated annual rate of pension at Normal Pension Date payable to a Member in respect of periods of Pensionable Service completed in the Defined Benefit Section shall be calculated as set out below:

(a) 1/60\(^{th}\) of the Member's Final Pensionable Salary for each complete year of the Member's Pensionable Service in the Main Category, plus an appropriate fraction of 1/60\(^{th}\) for any incomplete year of Pensionable Service; plus
(b) the lower of:

(i) a fraction of the Member's Final Pensionable Salary for each complete year of Pensionable Service in all Categories, calculated so that the Member's total pension under paragraphs 3.2(a) and 3.2(b)(i) at Normal Pension Date will be equal to 2/3rds of his Final Pensionable Salary on the assumption that accrual at this rate will continue until Normal Pension Date; or

(ii) 1/30th of the Member's Final Pensionable Salary for each complete year of Pensionable Service in all Categories, plus an appropriate fraction of 1/30th for each complete month.

4 DEATH AFTER PENSION STARTS (BEFORE NORMAL PENSION DATE) (RULE 19.3)

Defined Benefit Section

On the death of a Pensioner who is an Executive Category Member before Normal Pension Date a lump sum will be payable equal to either:

(a) unless (b) below applies, four times the Member’s Pensionable Salary in the complete tax year before the pension started. (If the Member was not in Service for a complete tax year, his Pensionable Salary will be the annual rate at the date of his retirement for this purpose); or

(b) if in the opinion of the Trustee a payment under (a) above in respect of a Member who joined the Plan on or after 1 October 1991 would exceed the Pre-2006 Limits:

(i) £1,200 (or such other amount as the Principal Employer determines); and

(ii) if the Pensioner dies within five years after his pension has started, the balance of pension instalments that would otherwise have been paid during the remainder of the five year period (disregarding any future increases).
SCHEDULE 3
Senior Executive Category Members

Membership and Benefits

1 MEMBERSHIP OF THE PLAN (RULE 3)

The conditions for eligibility as a Senior Executive Category Member of the Defined Contribution Section are:

(a) he is in Service as a permanent salaried Senior Executive Employee; and

(b) he has not reached age 64; and

(c) he is not a Cross-Border Employee.

2 TERMINATION OF MEMBERSHIP (RULE 4.3(B))

For the purposes of Rule 4.3(b), the Principal Employer has the following discretion.

If the Member transfers to Service as a permanent hourly paid Works Employee, or a permanent salaried Staff Employee, or a permanent salaried Executive Employee, the Principal Employer may decide that the Member will continue to be eligible for Membership under the Senior Executive Category.

3 PAYMENT OF BENEFITS (RULES 14 AND 25)

Defined Benefit Section

3.1 The preserved benefits in respect of a Member of the Defined Benefit Section shall be calculated according to the formula:

\[ A + \frac{B}{C \times (D - A)} \]

where:

\[ A \] = the annual rate of pension in respect of the Member's Pensionable Service prior to joining the Senior Executive Category, based on his Final Pensionable Salary at the date of ceasing Pensionable Service under the Senior Executive Category;

\[ B \] = the Member's actual Pensionable Service as a Member of the Senior Executive Category of the Defined Benefit Section;

\[ C \] = the Member's notional Pensionable Service as a Member of the Senior Executive Category of the Defined Benefit Section until the earlier of Normal Pension Date and the date on which the Member would have completed 40 years of Pensionable Service (in all Categories);

\[ D \] = the Member's anticipated annual rate of pension at Normal Pension Date (calculated in accordance with paragraph 3.2 below) had he remained in Pensionable Service until Normal Pension Date based on his Final Pensionable Salary at the date of ceasing Pensionable Service under the Senior Executive Category.

3.2 For the purposes of paragraph 3.1 above, the anticipated annual rate of pension at Normal Pension Date payable to a Member in respect of periods of Pensionable Service completed in the Defined Benefit Section shall be calculated as set out below:
(a) 1/60\(^{th}\) of the Member's Final Pensionable Salary for each complete year of the Member's Pensionable Service in the Main Category, plus an appropriate fraction of 1/60\(^{th}\) for any incomplete year of Pensionable Service; plus

(b) the lower of:

(i) a fraction of the Member's Final Pensionable Salary for each complete year of Pensionable Service in all Categories, calculated so that the Member's total pension under paragraphs 3.2(a) and 3.2(b)(i) at Normal Pension Date will be equal to 2/3rds of his Final Pensionable Salary on the assumption that accrual at this rate will continue until Normal Pension Date; or

(ii) 1/30\(^{th}\) of the Member's Final Pensionable Salary for each complete year of Pensionable Service in all Categories, plus an appropriate fraction of 1/30\(^{th}\) for each complete month.

4 DEATH AFTER PENSION STARTS (BEFORE NORMAL PENSION DATE) (RULE 19.3)

Defined Benefit Section

On the death of a Pensioner who is a Senior Executive Category Member before Normal Pension Date a lump sum will be payable equal to either:

(a) unless (b) below applies, four times the Member's Pensionable Salary in the complete tax year before the pension started. (If the Member was not in Service for a complete tax year, his Pensionable Salary will be the annual rate at the date of his retirement for this purpose); or

(b) if in the opinion of the Trustee a payment under (a) above in respect of a Member who joined the Plan on or after 1 October 1991 would exceed the Pre-2006 Limits:

(i) £1,200 (or such other amount as the Principal Employer determines); and

(ii) if the Pensioner dies within five years after his pension has started, the balance of pension instalments that would otherwise have been paid during the remainder of the five year period (disregarding any future increases).
SCHEDULE 4

Determining Revaluation Percentage on Termination

For the purpose of Rule 76.4, the revaluation percentage applicable to Members in Service at the termination of the Plan and who joined the Plan before 8 June 1992, is as described in this Schedule.

The revaluation percentage for each affected individual is calculated as:

\[ 100 \times (1 + r)^t \times (1.015)^t \times \frac{S(N)}{S(A)} - 100 \]

where:

- \( r \) is an assumed rate of future RPI inflation determined as shown in Table 1 of this Schedule, below;
- \( t \) is the number of years and months between the date of cessation of Pensionable Service and the Member's Normal Pension Date;
- \( S(N) \) is the value of the index at age \( N \) set out in Table 2 of this Schedule, below;
- \( S(A) \) is the value of the index at age \( A \) set out in Table 2 of this Schedule, below;
- \( N \) is the Member's age at Normal Pension Date; and
- \( A \) is the Member's age (nearest birthday) at the date of cessation of Pensionable Service.

TABLE 1

(A) Determine the average gross redemption yield at the date of cessation of Pensionable Service on the FT-Actuaries High Coupon 20 Year British Government Fixed Interest Index.

(B) Determine the average gross redemption yield (in excess of inflation) as at the date of cessation of Pensionable Service on the FT-Actuaries Over 5 Years Index Linked Gilt Index assuming that future inflation is 5% pa.

(C) A first approximation of future RPI inflation is item (A) minus item (B).

(D) Determine the average gross redemption yield (in excess of inflation) as at the date of cessation of Pensionable Service on the FT-Actuaries Over 5 Years Index Linked Gilt Index assuming that future inflation will be as in item (C).

(E) Subtract item (D) from item (A).

(F) Future annual RPI inflation rate is taken to be item (E) rounded to the nearest 0.1% further reduced by 0.5%.

If the index ceases to be published the Trustee acting on actuarial advice shall determine which is the most appropriate yield to use.
TABLE 2

Promotional increases expressed as an index based 100 at age 16.

<table>
<thead>
<tr>
<th>AGE</th>
<th>SCALE</th>
<th>AGE</th>
<th>SCALE</th>
</tr>
</thead>
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<tr>
<td>16</td>
<td>100</td>
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<td>42</td>
<td>359</td>
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<tr>
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<td>347</td>
<td>65</td>
<td>409</td>
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</tbody>
</table>
SCHEDULE 5

Protected Rights Rules

The following Rules ("the Protected Rights Rules") shall apply to the extent provided for by Rule 85.

1 DEFINITIONS

1.1 In these Protected Rights Rules the following words have the following meanings:


"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 Trustee, as being a proper person to act in this capacity.

"Commencement Date" means the date from which pension provided from the PR Member's Protected Rights Assets will be paid to the PR Member. The pension will not be paid later than the date on which the PR Member attains the age of 65, unless the PR Member agrees that payment should start from a later date. However, in the case of a PR Member who wants to draw pension from his Protected Rights Assets before 6 April 2006 the Commencement Date must be a date between (and including) his 60th and 75th birthdays.

"Contracting-out Regulations" means the Occupational Pension Schemes (Contracting-out) Regulations 1996 (SI No. 1172).

"Dependent Child(ren)" means a child (or children) for whom the PR Member (or after the PR Member's death, the widow, widower or surviving civil partner) was entitled to child benefit immediately before he or she died (or would have been if the child had been in Great Britain).

"Guaranteed Minimum Pension" has the same meaning as in the 1993 Act.

"HMRC" means Her Majesty's Revenue and Customs.

"Insurer" means a person or EEA firm that meets the prescribed conditions set out in regulation 11 of the Personal and Occupation Pension Schemes (Protected Rights) Regulations 1996 (SI 1996/1537).

"Minimum Payments" means the appropriate contracted-out flat-rate rebate percentage of the PR Member's earnings from the employer between the lower earnings limit and the applicable limit for National Insurance contributions prescribed for the purposes of section 42A(2) of the 1993 Act.

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

"Plan" means the occupational pension scheme to which these Rules are appended.

"PR Member" means an individual who is in contracted-out employment in relation to the Plan and who is accruing assets in a Protected Rights Account, or an individual who has a Protected Rights Account under the Plan in respect of previous PR Membership of the Plan or another pension scheme or arrangement.

"Protected Rights" and "Protected Rights Account" have the meanings given in Rule 4 below.

"Protected Rights Rules" means the Rules contained in this Schedule 5.

"Rule" (followed by a number) means the Rule (with that number) in this Appendix.
"Section 9(2B) Rights" has the same meaning as in Regulation 1(2) of the Contracting-out Regulations.

"Secretary of State" means the Secretary of State for Social Security.

"State Pensionable Age" means the age specified as pensionable age in Part I of Schedule 4 to the 1995 Act.

"Trustee" means the trustee or trustees of the Plan.

2 INTERPRETATION

References to any legislation or any provision include references to any previous legislation or provision relating to the same subject matter and to any modification or re-enactment for the time being in force.

3 MINIMUM PAYMENTS

3.1 Minimum Payments will be paid to the Plan in respect of all PR Members who are in contracted-out employment in relation to the Plan. They are inclusive of any amounts deducted from the PR Member's earnings and paid by the employer to the Plan as described in Rule 3.2 below.

3.2 Minimum Payments under Rule 3.1 above will be contributed by the employer and, if the rules of the Plan require a PR Member to contribute to the Plan, the amount of that contribution which represents the PR Member's share of Minimum Payments must be deducted by the employer from that PR Member's earnings and paid to the Plan as part of the Minimum Payments. Subject to Regulation 31(3A) of the Contracting-out Regulations (about no deduction being made from earnings below the primary threshold for National Insurance contributions), a PR Member's share of Minimum Payments is the amount by which his National Insurance contributions in respect of earnings from the employer are less than would have been the case if he had not been contracted-out. (Other contributions by PR Members will be paid by deduction from earnings or otherwise as described in the rules of the Plan).

3.3 Minimum Payments must be invested on behalf of the PR Member within one month of the end of the income tax month to which they relate and age-related payments made by HM Revenue and Customs under section 42A(3) of the 1993 Act must be invested on behalf of the PR Member within one month of the payment by HM Revenue and Customs.

4 PR MEMBERS' PROTECTED RIGHTS

4.1 Payments to which the Protected Rights Rules apply. The Protected Rights Rules apply to the following payments made to the Plan in respect of a PR Member and the benefits resulting from those payments:-

(a) Minimum Payments as described in Rule 3.1 above;

(b) age-related payments made under section 42A(3) of the 1993 Act and regulation 35 of the Contracting-out Regulations;

(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 (SI No. 1115);

(d) transfer payments received under Rule 9 below covering Protected Rights or Guaranteed Minimum Pensions or Section 9(2B) Rights derived from other occupational pension schemes; from personal pension schemes; or under insurance policies or annuity contracts appropriate for the purposes of section 32A of the 1993 Act (or of the type described in section 19 of the 1993 Act); and
(e) payments of minimum contributions by the Secretary of State made under regulation 14(8) of the Personal Pension Schemes (Appropriate Schemes) Regulations 1988 (SI No. 137) or regulation 12 of the Personal Pension Schemes (Appropriate Schemes) Regulations 1997 (SI No. 470).

4.2 Payments to which the Protected Rights Rules do not apply. Any payments other than those specified in Rule 4.1 above (and the benefits resulting from such payments) are not subject to the Protected Rights Rules unless the rules of the Plan specifically state otherwise.

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

The PR Member's rights to these benefits are called "Protected Rights". The Plan assets representing these Protected Rights are referred to in these Protected Rights Rules as his "Protected Rights Account".

4.4 Calculation. The value of the PR Member's Protected Rights Account must be calculated and verified in accordance with regulation 7C of the Occupational Pension Schemes (Transfer Values) Regulations 1996 adopting methods and assumptions consistent with the requirements set out in the rest of these Protected Rights Rules and the PSA. The Trustee must keep such records as will enable the amount of the PR Member's Protected Rights Assets to be calculated at any time.

4.5 Employee Contributions. All employee contributions must be used to provide Money Purchase Benefits, even if the Plan otherwise provides salary related benefits, except where regulation 30(2) of the Contracting-out Regulations permits otherwise, or regulation 30(1)(b) of the Contracting-out Regulations is otherwise modified or repealed.

If the rules of the Plan provide for compulsory employee contributions, then each employee's contribution up to the flat-rate contracted-out rebate percentage of his Primary Class I contributions on his earnings between the lower earnings limit and the applicable limit for National Insurance purposes count as Minimum Payments under Rule 3.1 above (though, as referred to in Rule 3.2, this is subject to section 31(3A) of the 1993 Act). These Protected Rights Rules apply to them, and the employee's contributions representing such Minimum Payments may not be refunded to him if he ceases to be a PR Member of the Plan without an entitlement to preserved benefits (as defined in the rules of the Plan).

Other employee contributions do not count as Minimum Payments. These Protected Rights Rules only apply to them if the rules of the Plan say that the Protected Rights Rules apply to all payments to the Plan.

4.6 Overriding effect of Protected Rights Rules. So far as Protected Rights are concerned, these Protected Rights Rules override any inconsistent provisions elsewhere in the Plan, except any which are in accordance with the 1993 Act, and any which are necessary in order that the Plan may maintain its Registration. Where any of these Protected Rights Rules are inconsistent with the requirements of the 1993 Act (and any regulations made under it) in relation to employments contracted-out on a money purchase basis by reference to the Plan then the latter shall prevail. These Protected Rights Rules shall be treated as including such further rule or rules as may be required to allow a PR Member to be in contracted-out employment on a money purchase basis by reference to the Plan.

5 PENSION FOR PR MEMBER

5.1 When Pension is paid. The pension from a PR Member's Protected Rights Account becomes payable at the Commencement Date specified in the rules of the Plan. The Trustee may (but need not) allow the PR Member to choose a later Commencement Date, in which case the PR Member must notify the Trustee of the date chosen by writing to them at least one month before the specified Commencement Date.
5.2 **Providing the Pension.** When the PR Member reaches the Commencement Date the Protected Rights Account will be used to provide a pension for life.

The pension must be one offered without regard to the sex of the PR Member either in making the offer or in calculating the amount of the pension. Marital and civil partnership status will be taken into account only where and on the basis permitted under regulation 4(2) of the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996 (SI. No. 1537).

5.3 **PR Member's right to choose.** The PR Member has the right to choose any Insurer or, where the rules of the Plan allow, the Plan, to provide the pension. If the PR Member decides to choose an Insurer, he must do so by writing to tell the Trustee which Insurer he has chosen at least one month, but not more than 6 months, before the Commencement Date.

If the PR 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 Trustee so in writing on the same day as he agrees to the later date. The Trustee may allow any PR Member a longer period in which to make his choice.

5.4 **Trustee's Choice.** If the PR Member does not choose an Insurer by writing to tell the Trustee by the latest date permitted under Rule 5.3 above, the Trustee will either choose an Insurer or, where the rules of the Plan allow, decide to pay the pension from the Plan.

5.5 **Form of Pension.** The pension will include provision for benefits after the PR Member's death as described in Rule 6 below. Where that allows alternative benefits, then a PR Member who chooses an Insurer may at the same time choose which alternatives apply. If the Trustee chooses an Insurer, it may allow the PR Member to choose the alternatives or the Trustee may choose the alternatives. If the pension is provided by the Plan, the alternatives applying will be those described in the rules of the Plan, or the alternatives allowed in Rule 6 below which the Trustee agrees to provide.

5.6 **Lump Sum instead of Pension.** The Trustee may pay the PR Member the cash value of his Protected Rights Account instead of a pension in the circumstances and on the conditions provided for by section 28(4) and (5) of the 1993 Act. One of the requirements of that section is that the Trustee may only pay such a lump sum if any other rights that the PR Member has under the Plan are also being satisfied by a lump sum.

6 **PR MEMBER DIES AFTER PENSION STARTS**

6.1 **Widow's, widower's or surviving civil partner's Pension.** The pension provided from a PR Member's Protected Rights Account will include provision for a pension to continue to be paid to any widow, widower or surviving civil partner. Subject to Rule 6.5 below, the widow's, widower's or surviving civil partner's pension will be half the amount of pension that would have been payable if the PR Member had survived.

6.2 **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 or widower remarries before reaching State Pensionable Age or the surviving civil partner marries or forms a subsequent Civil Partnership before reaching State Pensionable Age.

6.3 **No widow, widower or surviving civil partner but Dependant.** The pension provided from a PR Member's Protected Rights Account may (but need not) be on terms that, if the PR Member does not leave a widow, widower or surviving civil partner, then a pension will be paid to a dependant of the PR Member. Subject to Rule 6.5 below, the dependant's pension will not be more than half the amount that would have been payable if the PR Member had survived.

6.4 **No widow, widower or surviving civil partner but Dependent Child(ren).** The pension provided from a PR Member's Protected Rights Assets may (but need not) be on terms that, if the PR Member does not leave a widow, widower or surviving 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 6.5 below, the amount paid as pension for the child(ren) will not be more than half the amount that would have been payable if the PR Member had survived. The pension will be paid only so long as at least one Dependent Child is under age 18.

6.5 **5 Year Guarantee.** The pension provided from a PR Member's Protected Rights Account may (but need not) be on terms that it will in any event be paid for up to 5 years. Then, if the PR Member dies during the 5 years, any survivor's pension payable may be an amount up to the amount of the pension payable to the PR Member until the end of the 5 years, after which it will not be more than half the amount that would have been payable if the PR Member had survived. If a pension guarantee applies, a pension of an amount up to the amount of the PR Member's pension will still be paid for the rest of the 5 years even if no survivor's pension is payable, or the survivor's pension ceases to be payable before the end of the 5 years. In these circumstances, the pension will be paid to another individual, or to the estate of the PR Member or of another individual who dies after the PR Member (and the recipient may vary from time to time during the payment period).

7 **PR MEMBER DIES BEFORE PENSION STARTS**

7.1 **Widow's, widower's or surviving civil partner's Pension.** If a PR Member dies before his pension under Rule 5 above starts, the Trustee must take reasonable steps to find out whether the PR Member is survived by a widow, widower or surviving civil partner.

If the Trustee discovers that the PR Member is survived by a widow, widower or surviving civil partner then, as soon as is practicable, the PR Member's Protected Rights Account must be used to provide the widow, widower or surviving civil partner with a pension. The pension may be provided by the Plan if the rules of the Plan allow for this. If they do not, or if they allow a widow, widower or surviving civil partner to choose an Insurer and she or he does so, the pension must be bought from an Insurer.

7.2 **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 remarries before reaching State Pensionable Age.

7.3 **Widow's, widower's or surviving civil partner's right to choose.** If the rules of the Plan do not allow for a pension to be provided from the Plan, or if they do allow for this but they also allow the widow, widower or surviving civil partner to choose an Insurer, the Trustee must write and tell the widow, widower or surviving civil partner that she or he has the right to choose an Insurer. The widow, widower or surviving civil partner then has three months to write back to the Trustee and tell them which Insurer has been chosen. The pension may (but need not) include any or all of the alternatives described in Rule 7.2 above and Rule 7.5 and Rule 7.6 below. If the widow, widower or surviving civil partner chooses an Insurer, she or he may at the same time choose which alternatives will apply to the pension.

7.4 **Trustee's Choice.** If a widow, widower or surviving civil partner who is allowed to choose an Insurer does not do so by writing to tell the Trustee by the latest date permitted under Rule 7.3 above, the Trustee may choose an Insurer. The pension may (but need not) include any or all of the alternatives described in Rule 7.2 above and Rule 7.5 and Rule 7.6 below. The Trustee may allow the widow, widower or surviving civil partner to choose which alternatives will apply to the pension or the Trustee may choose the alternatives. If the pension is provided by the Plan, the alternatives applying will be those described in the rules of the Plan, or the alternatives allowed in Rule 6 above which the Trustee agrees to provide.

7.5 **Dependant Child's Pension.** The pension bought with or provided from a PR Member's Protected Rights Account may (but need not) be on terms that, if the widow, widower or surviving 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 surviving 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.
7.6 **5 Year Guarantee.** The pension bought with or provided from a PR Member's Protected Rights Account may (but need not) be on terms that, if the widow, widower or surviving civil partner dies within 5 years of the pension commencing (or if the pension continues under Rule 7.5 above but the last Dependent Child dies or reaches age 18 within 5 years of the pension commencing), the pension will continue to be paid for the rest of the 5 years to another individual, or to the estate of the PR Member or of another individual who dies after the PR Member (and the recipient may vary from time to time during the payment period).

7.7 **Lump Sum instead of Pension.** The Trustee may pay a surviving widow, widower or surviving civil partner the cash value of PR Member's Protected Rights Assets instead of a pension in the circumstances and on the conditions provided for by section 28(4) and (5) of the 1993 Act. One of the requirements of that section is that the Trustee may only pay such a lump sum if any other benefit that the Plan provides is also being satisfied by a lump sum.

7.8 **Widow, widower or surviving civil partner dies before Pension starts.** If the widow, widower or surviving civil partner dies before the pension is provided, the Trustee will pay the value of the PR Member's Protected Rights Accounts in accordance with any direction given by the PR Member in writing. If there has been no direction given, the value will be paid to the PR Member's estate.

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

8 **TRANSFER OF PROTECTED RIGHTS ACCOUNTS OUT OF THE PLAN**

8.1 **Transfer of Protected Rights Accounts.** The Trustee may, at the written request of a PR Member, transfer his Protected Rights Account (which may be part of a larger transfer) to:

(a) another occupational pension scheme;

(b) an appropriate personal pension scheme;

(c) an occupational pension scheme which was formerly a contracted-out scheme and which HM Revenue and Customs are under a duty to supervise in accordance with section 53 of the 1993 Act; or

(d) an overseas arrangement (as defined for the purpose of the Protected Rights (Transfer Payment) Regulations 1996 (SI No. 1461));

The PR Member may withdraw the request by giving the Trustee notice in writing to that effect but may not withdraw the request after the Trustee has entered into an agreement with a third party to make the transfer to the other scheme. A PR Member who has withdrawn a request may make another.

The Trustee may make such a transfer without the PR Member's request or consent in the circumstances specified in Regulation 3C of the Protected Rights (Transfer Payment) Regulations 1996 (SI No. 1461) and subject to any requirements of that regulation.

8.2 **Conditions for Transfer of Protected Rights Accounts.** A transfer payment made out of the Plan under the rules of the Plan may only include a PR Member's Protected Rights Account if the transfer complies with the requirements of the Protected Rights (Transfer Payment) Regulations 1996 (SI No. 1461).

8.3 **Discharge of Protected Rights.** Where the PR Member's Protected Rights Account is transferred in accordance with this Rule, the PR Member will cease to have any Protected Rights under the Plan and the Trustee will be discharged from any obligation to give effect to those Protected Rights.
9 TRANSFER INTO THE PLAN

9.1 Acceptance of Transfer. The Trustee may, at the request of the PR Member, or a former PR Member, accept:

(a) a transfer of assets representing Protected Rights for the PR Member from another scheme which is, or was, an appropriate personal pension scheme or an occupational pension scheme contracted-out by the money purchase test or an insurance policy which is an appropriate policy under section 32A of the 1993 Act; or

(b) a transfer payment in respect of the PR Member's accrued rights to Guaranteed Minimum Pensions or Section 9(2B) Rights under a scheme which is, or was, a contracted-out salary related scheme, or an insurance policy or annuity contract of the type described in section 19 of the 1993 Act.

9.2 Use of Transfer Payment to provide Protected Rights. The Trustee 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 PR Member with Protected Rights under the Plan. The rest of the transfer payment (if any) 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

10.1 Beneficiary unable to act. This Rule applies where the Trustee believe that a person entitled to payment of a PR Member's Protected Rights Account or of a pension provided with those assets is unable to act by reason of mental disorder. If this Rule applies, the Trustee must arrange that, instead of being made to that person, payments are, in order of priority, (a) made for that person's maintenance, and/or (b) made for the maintenance of one or more of his dependants, and/or (c) held by themselves until he is again able to act (or for his estate if he dies before regaining competence). The Trustee may only use money for a lower priority (that is, (b) or (c)) to the extent that, in its opinion, it is not required by people in a higher priority.

10.2 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 PR Member's Protected Rights Account or of a pension provided from those assets may be suspended. The value of the suspended payments must be used for the maintenance of one or more of that person's dependants.

10.3 Whereabouts unknown. Any payment due to any person of a PR Member's Protected Rights Assets or of a pension provided from those assets may be forfeited if at least 6 years have passed from the date the payment became due and the address of the person is not known to the Trustee.

11 GENERAL PROVISIONS ABOUT PENSIONS

11.1 Payment Intervals. The pension provided with a PR Member's Protected Rights Account will be paid in advance or arrears as is arranged with the Insurer providing it. If the Plan is providing the pension it will be as provided in the rules of the Plan.

If it is payable in advance, it must be paid at least once a year.

If it is payable in arrears, it must be paid at least monthly, unless the recipient agrees in writing that it can be paid less often. It must be paid at least once a year.

11.2 Increase in Payment. The pension provided with the PR Member's Protected Rights Account may be on terms that it will increase each year.

11.3 Enforceability. The Trustee may only buy a pension from an Insurer with a PR Member's Protected Rights Account if the Trustee is satisfied that any person who is or may be entitled to payment of that pension may enforce that entitlement against the Insurer.
(a) under a trust; or
(b) under a deed poll; or
(c) under Scottish law.

12 ALTERATIONS TO THESE PROTECTED RIGHTS RULES

12.1 Power to alter Protected Rights Rules. The persons or bodies having the power of alteration in relation to the rest 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 and to schemes which have ceased to be 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 subject to Rule 12.2 below, and is additional to, and independent of, any other power of alteration in relation to the Plan.

12.2 Restriction on Alterations. No alteration to these Protected Rights Rules may be made except as permitted by section 37 of the 1993 Act and regulation 42 of the Contracting-out Regulations. This applies whether the alteration is made under Rule 12.1 above or under any other power of 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 Trustee will inform PR Members of their rights and options in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 1996 (SI No. 1655) and will seek HM Revenue and Custom's approval to any proposed arrangements for securing Protected Rights. When the Plan is being wound up, Protected Rights may be discharged by insurance policies in accordance with the provisions of section 32A of the 1993 Act.

14 INVESTMENTS

The resources of the Plan shall be invested in accordance with the requirements of sections 33 to 36A and section 40 of the 1995 Act.

15 INSURED SCHEME

If the benefits under the Plan are secured by one or more policies of assurance or annuity contracts and the Plan is managed by the issuing Insurer, the Insurer will be notified of any alteration in the Plan membership and in the amount of any PR Member's earnings.
APPENDIX 1 DEFINITIONS

"Account" means in relation to a Member of the Defined Contribution Section the account maintained in respect of him under Rule 49 (Members' Accounts) or (if the context so requires) the amount standing to the credit of such account.

"Active Member" means an Employee who has been admitted to Membership of the Plan and has not ceased to be in Pensionable Service.

"Active Membership" means the status of being an Active Member.

"Authorised Payment" means an authorised member payment (as defined in section 164 FA2004) or authorised Employer payment (as defined in section 175 FA2004).

"AVCs" means voluntary contributions made by a Member under Rule 10 (Additional Voluntary Contributions).

"AVC Fund" has the meaning set out in Rule 46.2 (Declaration of Trust).

"Beneficiary" means, other than for the purposes of Rule 21 (Payment of Death Lump Sums), any person absolutely or contingently entitled to receive a benefit under the Plan.

"Benefit Crystallisation Event" has the meaning given to that phrase by section 216 of the FA2004.

"Cash Transfer Sum" means a sum calculated in accordance with regulations made under section 101AF of the PSA.

"Category" means whichever of the Main Category, Executive Category and Senior Executive Category of Membership as is relevant.

"Civil Partner" means a person who is registered as a civil partner of the Member in accordance with the Civil Partnership Act 2004.

"Civil Partnership" means a civil partnership registered in accordance with the Civil Partnership Act 2004.

"Class A Member" means any Member who was within that description on 5 April 2006 for the purposes of the limits then prescribed by HM Revenue and Customs for exempt approved schemes or who joined the Plan after that date. A Member will have been within that description on 5 April 2006 if he does not have Pre March 1987 Continued Rights or Pre 1 June 1989 Continued Rights as defined in "Occupational Pension Schemes Practice Notes IR12 (2001)" published by the Inland Revenue.

"Contracted-out Benefits" means the minimum benefits the Plan is required to provide to satisfy the Contracting-out requirements of the PSA (or the right to that minimum). For Contracted-out Employment before 6 April 1997 this is called a guaranteed minimum pension (GMP).

"Contracted-out Employment" means a Member's contracted-out employment by reference to the Plan (as in Section 8(1)(a)(ii) and 8(1)(b) of the PSA).

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

"Cross-Border Employee" means a qualifying person within the meaning given by the Occupational Pension Schemes (Cross-border Activities) Regulations 2005, namely a person who is employed under a contract of service and whose place of work under that contract is sufficiently located in a member State other than the United Kingdom so that his relationship with his employer is subject to the social and labour law relevant to the field of occupational pension schemes of that member State, but, for the purposes of this definition, a seconded worker is not to be regarded as being so sufficiently located in a member State other than the United Kingdom.
"DB Fund" means all contributions paid to and received by the Trustee and the monies, investments, policies and property for the time being representing them, and any other monies, investments, policies and property for the time being held by the Trustee upon the trusts declared under the Rules, other than the Members’ Accounts.

"DC Expenses Reserve" means that part of the Defined Contribution Section not forming the Accounts which is designated for discharging the costs, charges and expenses of (and incidental to) the Defined Contribution Section.

"DC Fund" means that part of the assets of the Plan (for the avoidance of doubt, excluding the AVC Fund) as relates to the benefits under the Defined Contribution Section.

"Defined Benefit Section" means the defined benefit section of the Plan.

"Defined Benefit Works Employee" means a Member who is identified as such by the Principal Employer whose decision shall be final.

"Defined Benefit Staff Employee" means a Member who is identified as such by the Principal Employer whose decision shall be final.

"Defined Contribution Section" means the defined contribution section of the Plan introduced with effect on and from 1 July 2003.

"Defined Contribution Staff Employee" means a Member who is identified as such by the Principal Employer whose decision shall be final.

"Defined Contribution Works Employee" means a Member who is identified as such by the Principal Employer whose decision shall be final.

"Dependant" means, in relation to a Member or Ex-Spouse, any person who satisfies the meaning of "dependant" set out in paragraph 15 of Schedule 28 to the FA2004.

"Dependants’ Annuity" has the meaning given to that phrase by paragraph 17 of Schedule 28 to the FA2004.

"Employee" means any employee or director of an Employer, except a non-executive director.

"Employer" means an employer participating in the Plan (including the Principal Employer unless the context shows that this is not intended), and in relation to any particular Employee or Member means that Employer by which he is at the relevant time employed or by which he was last employed.

"Executive Category" means the Category of Membership described in Schedule 2.

"Executive Employee" means an Employee who is identified as such by the Principal Employer whose decision shall be final.

"Ex-Spouse" means an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order, agreement or equivalent provision.

"Ex-Spouse Member" is an Ex-Spouse who participates in the Plan. For this purpose the Ex-Spouse Member must participate in the Plan, either

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

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


"Final Pensionable Salary" means:
Appendix 1 - Definitions

(a) in respect of a Main Category or Executive Category Member of the Defined Benefit Section, the highest average yearly rate of Pensionable Salary earned during any 3 consecutive complete tax years in the last 13 complete tax years before the Member ceases to be in Pensionable Service.

In calculating the highest average yearly rate for a Member who ceases to be in Pensionable Service after 5 April 1991, the average yearly rate for each 3 year period will be adjusted by the change in the Retail Prices Index between the end of the 3 year period and the month of April immediately before the Member ceases to be in Pensionable Service.

If the Member was not in Service for 3 complete tax years, the Member's Final Pensionable Salary will be the annual average for the period in which the Member has been in Service during those tax years.

(b) in respect of a Senior Executive Category Member of the Defined Benefit Section, the greater of:

(i) the Member's gross PAYE earnings (including pension contributions by the Member but excluding bonuses) received from the Employers in the 12 months before the Member ceases to be in Pensionable Service, together with the average of bonuses on which pension contributions have been paid and which have been received in the preceding three consecutive years; and

(ii) the highest average yearly rate of Pensionable Salary earned during any 3 consecutive complete tax years in the last 13 complete tax years before the Member ceases to be in Pensionable Service.

In calculating the highest average yearly rate for a Member who ceases to be in Pensionable Service after 5 April 1991, the average yearly rate for each 3 year period will be adjusted by the change in the Retail Prices Index between the end of the 3 year period and the month of April immediately before the Member ceases to be in Pensionable Service.

If the Member was not in Service for 3 complete tax years, the Member's Final Pensionable Salary will be the annual average for the period in which the Member has been in Service during those tax years.

A Member's Final Pensionable Salary is subject to an earnings cap in relation to benefits accrued in respect of Pensionable Service before 6 April 2006, as set out in Rule 82 (Earnings Cap).

"Fund Manager" means a fund manager to whom the Trustee has delegated its powers of investment management.

"GMP" means a guaranteed minimum pension (or accrued right to one) under the PSA.

"Ill Health" means physical or mental impairment which, according to the evidence of a registered medical practitioner received by the Trustee, prevents (and will continue to prevent) the Member from following his normal occupation. For a Member to be categorised as being in "Ill Health", he must have ceased to carry on his occupation. The Trustee's decision as to whether a Member is suffering from "Ill Health" will be final.

"Index" means the Index of Retail Prices published by the Office of National Statistics.

"Insurance Company" has the meaning given by section 275 of the Finance Act 2004.

"Insurance Policy" means a policy or annuity contract issued by an Insurance Company.

"Lifetime Allowance" has the meaning given to that phrase by section 218 of the FA2004.

"Lifetime Allowance Charge" has the meaning given to that phrase by section 214(1) of the FA2004.

"Lifetime Allowance Excess Lump Sum" has the meaning given to that phrase by paragraph 11 of Schedule 29 to FA2004.
"Lifetime Annuity" has the meaning given to that phrase by paragraph 3 of Schedule 28 to the FA2004.

"Main Category" means the Category of Membership described in Schedule 1.

"Member" means a person who has joined the Plan and who is entitled or prospectively entitled to any benefit under the Plan. "Members" means some or all of them depending on the context.

"Membership" means the status of being a Member.

"Minimum Pension Age" means:

(a) before 6 April 2010, age 50;

(b) on and after that date, age 55;

save that in respect of any Member who has a protected pension age under the Plan under paragraph 21 of Schedule 36 to the FA2004 in any circumstances, his Minimum Pension Age shall be his protected pension age under the Plan in those circumstances.

"Normal Pension Date" means

(a) in relation to a Main Category or an Executive Category Member, the last day of the month in which a Member's 65th birthday falls; and

(b) in relation to a Senior Executive Category Member, a Member's 60th birthday.


"Part-time Service" means, in relation to a Member, Service during which his contractual working hours are less than the standard full-time contractual working hours for the same position, as determined by the Principal Employer.

"PCB Regulations" means the Pension Sharing (Pension Credit Benefit) Regulations 2000.

"Pensionable Age" has the meaning given by section 181 of the PSA.

"Pensionable Child" means any Child born of or legitimated by a marriage of the Member; any stepchild of the Member; any child legally adopted by the Member; and any other Child who the Trustee agrees to treat as a Pensionable Child. The Child must also satisfy the following conditions:

(a) is aged less than 18 years; is in full-time education or training approved by the Trustee; or is in the opinion of the Trustee, wholly incapacitated, for so long as the Trustee at its discretion treats the child as a Pensionable Child; and

(b) in respect of any Child's pension coming into payment on or after 6 April 2006, he falls within the meaning of "dependant" set out in paragraph 15 of Schedule 28 to the FA2004. However, to the extent that this proviso would adversely affect subsisting rights (as defined in section 67A(6) of the PA1995) as at 5 April 2006, those subsisting rights shall become payable at the discretion of the Trustee with the consent of the Principal Employer pursuant to Rule 80 (Operation as a Registered Scheme).

"Pensionable Salary" means, subject to the limit set out in Rule 82 (Earnings Cap):

(a) in respect of a Member of the Defined Benefit Section, the Member's PAYE earnings (including pension contributions) received from the Employers. However bonuses paid on an annual basis will be excluded except for contributing Members who were in Service on 1 December 1993 and were then aged 50 or over (see Rule 84 in relation to Members with part-time service); and
Appendix 1 - Definitions

(b) in respect of a Member of the Defined Contribution Section, the Member's basic earnings plus shift allowances, overtime and any other payments or amounts notified by the Principal Employer to the Trustee from time to time, but excluding annual bonuses.

"Pensionable Service" means Service as an Active Member after joining the Plan. It also includes pensionable service before 7 February 1993 in the pension schemes known as the Avon India Rubber Company Staff Pension Fund and the Avon India Rubber Company Works Pension Fund.

For the calculation of Pensionable Service in respect of Members with part-time service, see Rule 84 (Part-time Service).

"Pension Commencement Lump Sum" has the meaning given to it in paragraph 1 of Schedule 29 to FA2004 (including any modifications made by Schedule 36 to FA2004 (Pension Schemes: Transitional Provisions and Savings).

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

"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 WRPA or under corresponding Northern Ireland legislation.

"Pension Sharing Order" means any order or provision as is mentioned in section 28(1) of the WRPA of under corresponding Northern Ireland legislation.

"Pensions Acts" means the PA1995 and/or the PA2004 according to the context.

"Pensioner" means a Member who is receiving pension from the Plan by reason of his past employment.

"Permitted Maximum" means:

(a) prior to 6 April 2006, the permitted maximum as defined in Section 590C(2) of the Income and Corporation Taxes Act 1988; and

(b) on or after 6 April 2006, the amount which would have been the permitted maximum under that section if:

(i) that section had not been repealed; and

(ii) in respect of each year of assessment beginning with 2006/07 the Treasury had made the orders required by sub-section (6) of that section.

"Plan" means the Avon Rubber Retirement and Death Benefits Plan.

"Pre-2006 Limits" means the requirements (including limits on benefits and contributions) upon which the Plan's tax approved status was conditional on 5 April 2006, as set out in legislation and in IR 12 (2001) "Practice Notes on the approval of Occupational Pension Plans", save as lifted under Rule 80 (Operation as a Registered Scheme) or expressly disapplied elsewhere in these Rules.

"Preservation Laws" means the laws on preservation of benefits under the PSA.

"Principal Employer" means Avon Rubber p.l.c. (registered no. 0032965) or any person who becomes the Principal Employer under Rule 72 (New Principal Employer).

"Protected Rights" has the same meaning as in section 10 of the PSA.
"Protected Rights Account" means the account maintained under Rule 85 and Schedule 5 (Protected Rights Rules).

"Protected Rights Pension" means a pension that gives effect to the Member's Protected Rights, as described in Rule 85 and Schedule 5 (Protected Rights Rules).

"PSA" means the Pension Schemes Act 1993.

"PSA Pensionable Service" means the aggregate period that counts towards satisfying the three-month condition as defined in, and for the purposes of, section 101AA(2) of the PSA.

"Qualifying Recognised Overseas Pension Scheme" means a scheme or arrangement which is a qualifying recognised overseas pension scheme for the purposes of Part 4 FA2004.

"Qualifying Service" means in relation to a Member the aggregate of:

(a) his Pensionable Service; and

(b) any period of employment while a member of any other retirement benefits scheme in respect of which the Member has become entitled to additional rights under the Plan in substitution for accrued rights under such other scheme.

No double counting will be permitted. If a Member's Qualifying Service under the Plan has been broken, Rule 25.7 will apply.

In relation to a Member "Qualifying Service" is used only to decide whether the Member is entitled to preserved benefits under Rule 25 or a refund of contributions or Cash Transfer Sum under Rule 26. If a Member is entitled to a preserved pension under the Defined Benefit Section, its amount is based on his Pensionable Service.

"Recognised Transfer" has the meaning given by Section 169 of the FA2004.

"Registered Scheme" means a scheme or arrangement which is a registered pension scheme for the purposes of Part 4 FA2004.

"Regulator" means the body corporate called The Pensions Regulator established by Part 1 of the FA2004.

"Revaluation Laws" means the laws on revaluation of benefits under the PSA.

"Rules" means these rules and any amendments or modifications made to them from time to time.

"Safeguarded Rights" has the meaning given by Section 68A of the PSA.

"Scheme Administration Member Payment" means a payment within the definition given to that term by section 280 FA2004.

"Section" means the Defined Benefit Section or the Defined Contribution Section, as appropriate.

"Section 9(2B) Rights" has the meaning given by the Occupational Pension Schemes (Contracting-out) Regulations 1996.

"Senior Executive Category" means the Category of Membership described in Schedule 3.

"Senior Executive Employee" means an Employee who is identified as such by the Principal Employer whose decision shall be final.

"Serious Ill Health" means Ill Health of such seriousness that the person concerned is, in the opinion of a registered medical practitioner, expected to live for less than one year and the Trustee has received evidence from the registered medical practitioner to that effect.
"Serious Ill Health Lump Sum" has the meaning given by paragraph 4 of Schedule 29 to FA2004.

"Service" means employment with an Employer (including service before the Employer participated in the Plan).

"Short Service Refund Lump Sum" has the meaning given by paragraph 5 of schedule 29 to the FA2004.

"Short Service Refund Lump Sum Charge" has the meaning given by section 205 of the FA2004.

"Spouse" means the wife or husband to whom the Member was legally married at the date of his death or in relation only to Pensionable Service on and after 5 December 2005 the Member's Civil Partner at the date of his death. It does not include a partner who was either married to nor in a Civil Partnership with the Member at the date of his death, save that such a partner (of either sex) or a Civil Partner in relation to Pensionable Service before 5 December 2005 may (but need not) be treated as a Spouse by the Trustee for the purposes of Rule 22 (Spouse's Pension) if in the opinion of the Trustee the partner and the Member were in a relationship closely resembling marriage. The Trustee may (but need not) treat a Civil Partner as a Spouse in relation to Pensionable Service before 5 December 2005.

"Staff Employee" means a Defined Benefit Staff Employee or a Defined Contribution Staff Employee as the context shall determine.

"Subsisting Rights" has the meaning given by section 67A of the PA1995.

"Transfer Value Laws" means the laws on transfer values under the PSA.

"Trivial Commutation Lump Sum" has the meaning given by paragraph 7 of Schedule 29 of the FA2004.

"Trivial Commutation Lump Sum Death Benefit" has the meaning given by paragraph 20 of Schedule 29 to the FA2004.

"Trustee" means the trustee or trustees for the time being of the Plan.

"Unauthorised Payment" has the meaning given to that phrase by section 160(5) FA2004.

"Widow" and "Widower" means respectively the widow and the widower of a Member. If a Member has married under a law which allows polygamy and, on the day of the Member's death, has more than one widow or widower, the Trustee must decide which, if any, survivor is the Widow or Widower. In reaching that decision, the Trustee must have regard to the practice of the Department of Social Security and any relevant provisions of existing Social Security legislation, in particular Section 17(5) of the PSA and Regulation 2 of the Social Security and Family Allowances (Polygamous Marriages) Regulations 1975 (SI 1975/561). With effect on and from 5 December 2005, references in the Plan to a Widow or Widower shall include a surviving Civil Partner in respect of the benefits and periods of Pensionable Service to which this requirement applies under the PSA.

"Winding-up Lump Sum" has the meaning given to it in paragraph 10 of Schedule 29 to the FA2004.

"Winding-up Lump Sum Death Benefit" has the meaning given to it in paragraph 21 of Schedule 29 to the FA2004.

"Works Employee" means a Defined Benefit Works Employee or a Defined Contribution Works Employee as the context shall determine.

### APPENDIX 2 EMPLOYERS

The participating Employers at the time of execution of these Rules are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Former names</th>
<th>Company no.</th>
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<tbody>
<tr>
<td>Avon Rubber p.l.c.</td>
<td>Hampton Park West</td>
<td>n/a</td>
<td>00032965</td>
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<tr>
<td></td>
<td>Semington Road</td>
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</tr>
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<td>Wiltshire</td>
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<td></td>
<td>SN12 6NB</td>
<td></td>
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<tr>
<td>Avon Polymer Products Limited</td>
<td>Hampton Park West</td>
<td>Avon Industrial Polymers Limited</td>
<td>00149360</td>
</tr>
<tr>
<td></td>
<td>Semington Road</td>
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</tr>
<tr>
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</table>
EXECUTED as a DEED by
AVON RUBBER P.L.C acting by
a director and its
secretary/two directors

) )
) )
) )

Director

) )
) )
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Director/Secretary

EXECUTED as a DEED by
AVON RUBBER PENSION TRUST LIMITED
acting by a director and its
secretary/two directors

) )
) )
) )

Director

) )
) )
) )

Director/Secretary