

DATED: 31 August 2016

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# Trust Deed and Rules

between

**William Hill Organization Limited**

as the Principal Company

and

**William Hill Trustee Limited**

as the Trustee

relating to

**The William Hill Pension Scheme**

WE HEREBY CERTIFY THIS  
TO BE A TRUE COPY

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**THIS DEED** is dated

31 August 2016

and made

**BETWEEN:**

- (1) **WILLIAM HILL ORGANIZATION LIMITED**, (the "Principal Company"), a company incorporated in England and Wales under No. 278208 and having its registered office at Greenside House, 50 Station Road, Wood Green, London N22 7TP; and
- (2) **WILLIAM HILL TRUSTEE LIMITED**, (the "Trustee"), a company incorporated in England and Wales under No. 2453213 and having its registered office at Greenside House, 50 Station Road, Wood Green, London N22 7TP.

**Background:**

- (A) The **William Hill Pension Scheme**, (the "Scheme"), comprises the William Hill Retirement Plan, (the "Retirement Plan"), the William Hill Employee Pension Plan, (the "Employee Pension Plan"), and the William Hill Pension Savings Plan 2001, (the "Savings Plan"), and commenced on 1 October 1990. The Scheme was previously called the William Hill Retirement Plan. It is constituted by, amongst other things, the deeds listed in appendix 6 (*Trust Deeds*).
- (B) The Scheme is currently governed by the rules adopted by a deed dated 26 February 2013 as amended by two deeds dated 30 September 2015 and 31 May 2016 respectively (those rules, as amended or replaced from time to time, are in this Deed called the "Rules").
- (C) William Hill Trustee Limited is the current sole trustee of the Scheme.
- (D) By Rule 59 of the Rules (*Amendments*) the Principal Company, with the Trustee's consent, may alter the Rules subject to the restrictions contained in that Rule, s.37, PSA (*Alteration of rules of contracted-out schemes*) and s.67 to s.67 I, PA 1995 (*The subsisting rights provisions*).
- (E) Section 68, PA 1995 (*Power of trustees to modify schemes by resolution*) and the Occupational Pension Schemes (Modification of Schemes) Regulations 2006 (*Modification of schemes*), (the "Modification Regulations"), enable the Trustee, by resolution, to modify the Trust Deed and Rules so that, amongst other things, surviving same sex spouses and civil partners are treated in the same way as opposite sex spouses but if the modification would confer rights on a same sex spouse or civil partner in excess of what is required by statute it may be made only with the consent of the employers or a person nominated under the scheme rules to act as the employers' representative. The Principal Company has been so nominated.
- (F) The Principal Company and the Trustee wish to update the Rules generally and to provide for same sex Spouses to be entitled to the same benefits as opposite sex Spouses except as provided in the GMP Rules.
- (G) None of the amendments made to the Rules by this deed is a regulated modification (within the meaning of s.67A, PA 1995 (*The subsisting rights provisions: Interpretation*)).
- (H) The Rules are not being amended in a manner which would or might adversely affect GMPs or affect any of the matters referred to in regulation 20(b) of the Occupational Pension Schemes (Schemes that were Contracted-out) (No. 2) Regulations 2015 and there are no section 9(2B) rights (within the meaning of those Regulations) under the Scheme; accordingly the amendments are permitted under s.37, PSA (*Alterations of rules of contracted-out schemes*).

**THIS DEED PROVIDES** that:

- (A) In exercise of its powers under s.68, PA 1995 (*Power of trustees to modify schemes by resolution*) and the Modification Regulations and to the extent permitted thereby, the Trustee hereby resolves that the Scheme be and is hereby modified as provided by this Deed and the Principal Company consents to such modifications being made; and

- (B) In exercise of its powers under Rule 59 of the 1998 Rules (*Amendments*) and all other powers enabling it and with the exception of the modifications made pursuant to (A) above, the Principal Company hereby alters the Scheme as provided by this Deed and the Trustee consents to those alterations being made.

## **The Clause**

### **1. Adoption of New Rules**

Subject as otherwise provided in this Deed, the rules currently contained in the Rules are replaced with the rules contained in the schedule to this Deed, (the "New Rules").

### **2. Application of New Rules to past Retirement Plan members**

The amount of benefits payable under the Retirement Plan to or in respect of an RP Member who ceased to be in Pensionable Service before the Sixth Revision Date shall (despite anything in the New Rules to the contrary) be determined in accordance with the Rules in force when the RP Member ceased to be in Pensionable Service unless and then only to the extent that in any particular case the Principal Company and the Trustee otherwise decide and the Overriding Requirements permit. The benefits, as so determined, shall then be payable in accordance with and subject to the Rules in force from time to time, but, save as provided in clause 5 (*Same sex Spouses*), not so as to give rise to an entitlement to a benefit not otherwise payable or to a greater increase to any benefit payable (whether immediately, prospectively or contingently) than would otherwise be the case.

### **3. Application of New Rules to former EP/S Members**

The Rules which comprise the Employee Pension Plan apply to all EP Members and the Rules which comprise the Savings Plan apply to all Savers including, in both cases, those Members who ceased to be in Pensionable Service before the Sixth Revision Date but to or in respect of whom benefits are still payable under the Scheme. Nothing in the New Rules shall, however, operate so as to increase any contributions which accrued prior to the Sixth Revision Date or the amount of any lump sum payable on the death of any person before that date.

### **4. Past exercise of powers and discretions unaffected**

Nothing in this Deed or the New Rules shall operate so as to invalidate or affect the exercise of any power or discretion before the date of this Deed by the Principal Company, Employers, the Trustee and the beneficiaries under the Scheme or by any of them.

### **5. Same Sex Spouses**

5.1 Subject to clause 5.2 a Spouse of a Member who is of the same sex as the Member shall be treated for all and any purpose of the Trust Deed and Rules as if he or she were a Spouse of the opposite sex to the Member.

5.2 Nothing in clause 5.1 shall:

- (A) affect a Spouse's entitlement to a GMP;
- (B) result in a pension payable to a same sex Spouse on the death of a female Member of an amount greater than the pension, if any, which would have been payable as a widower's pension had the Member been survived by a widower;
- (C) where the liability for any benefits payable to or in respect of a Member is insured under a policy effected before the Sixth Revision Date, result in a pension payable to a Spouse unless and to the extent the pension is payable under that policy;

- (D) unless secured under the Scheme without the purchase of a policy, affect the liability for any benefit secured under the Scheme on a money purchase basis, whether before, on or after the Sixth Revision Date; or
- (E) apply to the benefits payable on or after the death of a Member who died before the Sixth Revision Date.

6. **Safeguard against errors**

This clause 6 safeguards the Scheme against any errors in this Deed or the New Rules (together, the "New Provisions"):

- (A) if any benefits otherwise payable, or prospectively or contingently payable, under the New Provisions exceed those which would have been so payable under the Scheme had the New Provisions not been adopted, no beneficiary shall have any entitlement to the excess;
- (B) paragraph (A) does not apply to the benefits payable pursuant to clause 5 (Same sex Spouses);
- (C) paragraph (A) also does not limit any benefits so payable if, and to the extent that, they are due to an amendment to the New Provisions after the Sixth Revision Date; but if and to the extent that such amendment would otherwise be inconsistent with any written announcement issued after the Sixth Revision Date (whether or not to the beneficiary concerned) but before the amendment is purportedly made and would otherwise confer greater benefits on that beneficiary than those so announced, that beneficiary shall not be entitled to enforce that amendment. Any reference in any announcement to the effect that the announcement takes effect subject to, or the benefits under the Scheme are governed by, the Rules shall be disregarded;
- (D) nothing in this clause 6 shall affect adversely any member of the Scheme in respect of any subsisting right acquired before the Sixth Revision Date;
- (E) this clause 6 overrides any contrary provision in the New Provisions; and
- (F) in this clause 6 "benefits" includes, where the context so permits, rights and interests but "beneficiary" excludes the Employers (present, past and future).

7. **Interpretation**

In this Deed, "subsisting right" has the same meaning as in s.67A, PA 1995 (*The subsisting rights provisions: Interpretation*) immediately prior to the Sixth Revision Date. Also, Rule 2 (*Interpretation*) of the New Rules applies throughout this Deed as if it were set out in this Deed with any necessary consequential amendments.

8. **Indemnities**

The indemnities contained in Rule 47.2 (*Indemnity*) of the Rules in force immediately prior to 30 June 2008 shall continue in full force and effect insofar as such indemnities apply to each of those persons who immediately prior to that date was a Trustee (as defined in that Rule). The indemnities contained in Rule 52.2 (*Indemnity*) of the New Rules shall apply as provided in that Rule.

9. **Effective Date**

This Deed takes effect as on and from the day and year first above written (the "Sixth Revision Date").

**EXECUTED** as a deed on the Sixth Revision Date.

**THE SCHEDULE**  
**THE RULES**  
**OF**  
**WILLIAM HILL PENSION SCHEME**  
**PART 1: INTERPRETATION**

1. **Introduction**

1.1 **Name**

The Scheme is called the “**William Hill Pension Scheme**” and comprises:

- (A) the William Hill Employee Pension Plan;
- (B) the William Hill Pension Savings Plan 2001; and
- (C) the William Hill Retirement Plan.

1.2 **Commencement**

The Scheme started on 1 October 1990.

1.3 **Existence of trusts**

The Trustee shall hold the Trust Assets upon the trusts and with and subject to the powers and provisions contained in the Rules and the Trust Deed to provide benefits in accordance with the Rules.

1.4 **Governing law**

The Trust Deed and the Rules are governed by, and shall be construed in accordance with, the law of England and Wales.

2. **Interpretation**

2.1 **Rules of construction**

In these Rules, unless the context otherwise requires:

- (A) the singular includes the plural and vice versa;
- (B) except for “male”, “female”, “widow” and “widower”, words denoting one gender shall include the other gender or the neuter and words denoting the neuter include either gender;
- (C) a reference to a spouse of a person includes a spouse of the same sex as that person and widow, widower and marriage shall be construed accordingly;
- (D) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be consolidated or re-enacted, and includes any subordinate legislation made under it;

- (E) reference to any legislation applicable to only part of the United Kingdom shall include a reference to the corresponding legislation (if any) applicable to any other part of the United Kingdom;
- (F) a reference to a paragraph or sub-paragraph shall be to the relatively numbered paragraph in the Rule or Appendix, or, as the case may be, to the relatively numbered sub-paragraph in the paragraph, in which the reference appears, unless the contrary is expressly stated;
- (G) a reference to any provision of the Trust Deed or the Rules shall include a reference to the corresponding provision (if any) of the Trust Deed and the rules previously in force;
- (H) a reference to a pension or an insurance policy shall include a reference to an annuity or an annuity contract respectively;
- (I) the Appendices to the Rules form part of, and take effect as if set out in, the Rules; and
- (J) except for the numbering, the headings do not form part of the Rules.

## 2.2 Definitions

In these Rules, unless the context otherwise requires:

“**Actuary**” means the actuary, (the “Appointed Actuary”), for the time being of the Scheme appointed under Rule 56.2 (*Actuarial: Appointment*). It also includes a company or firm which provides actuarial services and is for the time being appointed by the Trustee to carry out any (or all) of the functions of the Actuary which do not by law have to be performed by the Appointed Actuary personally.

“**Authorised Benefits**” means any benefits the payment of which is not an unauthorised member payment (within the meaning of s.160(2), FA 2004 (*Payments by Registered Pension Schemes*)).

“**AVC Fund**” has the same meaning as in Rule 35.3 (*AVCs: Money purchase benefits*).

“**Benefit Crystallisation Event**” has the same meaning as in s.216, FA 2004 (*Benefit crystallisation event and amounts crystallised*).

“**Board Member**” means an RP Member who before 6 April 2006 was notified in writing by William Hill Organization Limited (or while it was Principal Company by the Former Principal Company) that he is included, or if such notification was given before he joined the Scheme that on joining the Scheme he is to be included, in the Senior Executive Section of the Scheme for Board Members.

“**BW Plan**” means the occupational pension scheme established by a deed dated 31 August 1988 known at the Commencement Date as the Brent Walker Employee Benefits Plan.

“**Cash Revaluation Percentage**” shall be determined as at 1 April 2012 and each anniversary thereof, (the “calculation date”), and as so determined shall be fixed until the next following 1 April and it means the percentage increase in the Retail Prices Index (All Items) between September 2010 and the September immediately preceding the calculation date (based on the figures published for those months). Prior to 1 April 2012, the Cash Revaluation Percentage is nil.

“**Commencement Date**” means 1 October 1990.

“**Contracted-out Benefits**” means:

- (A) GMPs; and
- (B) section 9(2B) rights (within the meaning of the Contracting-out (Transfer and Transfer Payment) Regulations 1996).

## Interpretation

**“Contracted-out Membership”** means, in relation to a Member, employment which is contracted-out by reference to the Scheme. No period after 31 March 2011 shall count as such contracted-out employment.

**“Contracting-out Requirements”** means the GMP requirements within the meaning of s.12E, PSA (*Former related contracted-out schemes to comply with GMP requirements*).

**“Contribution Pay”** means, in relation to a Member (whether an EPP Member or a Saver), the lesser of:

- (A) his Eligible Earnings from time to time, and
- (B) whether or not the Member is subject to the Earnings Cap, the amount which is for the time being the Specified Amount (see the definition of “Earnings Cap”).

The Specified Amount for any pay period of one month shall be taken as being one-twelfth of the annual rate of the Specified Amount at the end of that pay period and so in proportion for a pay period of other than a month.

**“Death Beneficiary”** means, in relation to a deceased Member, an individual:

- (A) who is shown, to the Trustee's satisfaction, to be a Dependant of the Member; or
- (B) whom is nominated by the Member or, but only in the circumstances permitted under paragraph 27A, schedule 28, FA 2004 (*Meaning of “nominee”*), the Trustee.

**“Dependant”** means, in relation to a Member:

- (A) the Spouse of the Member at the date of the Member's death;
- (B) the person who is the Spouse of the Member when the Member first becomes entitled to a pension (within the meaning of s.165(2), FA 2004 (*Pension rules*)) under the Scheme;
- (C) a child of the Member if the child:
  - (1) has not reached age 23; or
  - (2) has reached that age and, in the Trustee's opinion, was, at the date of the Member's death, dependent on the Member because of physical or mental impairment;
- (D) a person (other than a child of the Member) who, in the Trustee's opinion, at the date of the Member's death:
  - (1) was financially dependent on the Member;
  - (2) had a financial relationship with the Member which was one of mutual dependence; or
  - (3) was dependent on the Member because of physical or mental impairment.

**“Dependants' Scheme Pension”** has the same meaning as in paragraph 16, schedule 28, FA 2004 (*Dependants' scheme pension*).

**“Earnings Cap”** means the Specified Amount for the Tax Year in which Pensionable Service ends. In these Rules:

- (A) the “Specified Amount” means, subject to paragraph (B), for:
- (1) the Tax Year 2010/2011, £123,600; and
  - (2) any subsequent Tax Year, the figure for the previous Tax Year increased by the percentage increase in the retail prices index over the period between the penultimate December and the ultimate December (taking the figures published for those months) or such higher amount as the Principal Company and the Trustee determine. If the retail prices index does not increase over that period, the figure for that Tax Year shall be the same as for the previous Tax Year;
- (B) the following shall apply to and in relation to a Member who is an RP Member:
- (1) subject to sub-paragraph (B)(2), the amount which is the Specified Amount for any Tax Year to start after 31 March 2011 shall not exceed the higher of:
    - (a) 105% of the amount which (disregarding sub-paragraph (B)(2)) was the Specified Amount for the immediately preceding Tax Year, and
    - (b) such amount as the Principal Company and the Trustee agree;
  - (2) sub-paragraph (B)(1) does not operate to limit the amount of the Permitted Maximum for the purposes of the calculation of the benefits under Rule 9 (*EP/S Plan: Death in Service*), Rule 19.1 (*Death in Service: RP Members in Pensionable Service*) or Rule 24 (*Life Assurance Benefit*), as applicable;
- (C) the Earnings Cap shall be regarded as applying to all Members.

**“Eligible Children”** means, in relation to a deceased RP Member, a child of his who is for the time being either:

- (A) under 18 years of age, or
- (B) under 22 years of age and in full-time education,

and may also include, at the discretion of the Trustee, a child of the Member who is for the time being under age 22 and in full-time training (whether paid or unpaid) for a trade, profession or vocation.

In this definition the term “child” means, in relation to a deceased Member:

- (1) a legitimate child of the Member (including after the child's birth a child of the Member conceived before but born after the Member's death) other than in any case any such child who has been adopted by another person;
- (2) an adopted child of the Member;
- (3) a child in respect of whom it is shown, to the satisfaction of the Trustee, that the Member stood at the time of his death in *loco parentis*; or
- (4) a child who it is shown, to the satisfaction of the Trustee, was, when the Member died, wholly or substantially dependent upon the Member for the provision of the ordinary necessities of life or would have been so dependent had the child been born before the Member's death.

**“Eligible Earnings”** means, in relation to an RP Member, an EPP Member, a Saver or a Life Assurance Member and subject to Rules 25 (*Pension salary sacrifice*), 26 (*Flexible benefits*), 28 (*Part-time employees*), 29 (*Overseas employment*) and 33 (*Broken Service*), his earnings from time to time from the Employer other than:

- (A) any bonus payments save to the extent (if any) the Employer declares in writing the bonus payment to be pensionable;
- (B) any earnings not in monetary form;
- (C) any payments made pursuant to an arrangement which the Employer declares in writing to be non-pensionable when or before the Member first becomes eligible for such payments;
- (D) any earnings (including redundancy payments and other payments on termination of employment) not chargeable to income tax under the Income Tax (Employment and Pensions) Act 2003, (“ITEPA”);
- (E) anything in respect of which tax is chargeable under s.225 or s.403, ITEPA (*Payment of restrictive undertakings and Payment and benefits on termination of employment – Charge on payment or other benefit*);
- (F) any payment which prior to 6 April 2006 was chargeable to tax under s.386, ITEPA (*Charge on payments to non-approved retirement benefits schemes*) and any payment to or from an employer-financed retirement benefits scheme (within the meaning of Chapter 2, Part 6, ITEPA).

**“Employed RP Member”** means a RP Member who is (or apart from any absence from work would be) in Pensionable Service on 31 March 2011 and who continues in Service after that date.

**“Employee”** means an employee (including an executive director) of the Employer.

**“Employer”** means:

- (A) at any time while a person is employed by all or any of the Employers, that one or more of the Employers by which he is for the time being employed; or
- (B) at any time thereafter, that one or more of the Employers by which he was last employed.

The term “Employer” shall also include, in relation to a Member who is a Transferred Member, any former employer of his who participated in the Former Scheme while the Member was in that employer’s service.

**“Employers”** means the Principal Company and any other company admitted to participation in the Scheme. It does not, however, include any company which having been one of the Employers has ceased to participate in the Scheme save in respect of the time before such cessation. At the Sixth Revision Date, only the Principal Company, William Hill PLC, WHG (International) Limited (previously called William Hill (Gibraltar) Limited), WHG Services Limited, Stanley Racing Limited and L Stanley Limited are participating in the Scheme. Prior to 1 December 1997 the Former Principal Company also participated in the Scheme. L Stanley (I.O.M.) Limited and William Hill Holdings Limited have also participated in the Scheme.

**“Employment Act”** means the Employment Rights Act 1996.

**“Employee Pension Plan”** means the William Hill Employee Pension Plan. It comprises the Rules other than Part 3 (*William Hill Retirement Plan*), Part 4 (*Life Only Section*), Appendices 1 and 2 (*GMP and EPBs, and Protected Rights Underpin*) and those provisions of Part 2 (*Employee Pension and Savings Plans*) which apply exclusively to or in respect of Savers.

**“Enhanced/Fixed Protection Employee”** means an Employee who has notified the Trustee in writing that he has Tax Protection (see below) and in relation to whom the Employer is not required under the PA 2008 to make arrangements for the Employee to become an active member of an automatic enrolment scheme (within the meaning of that Act).

For this purpose an Employee has Tax Protection if, in relation to the Employee, paragraph 12, schedule 36, FA 2004 (*Enhanced Protection*), paragraph 14, schedule 18, Finance Act 2011 (*Fixed Protection*), paragraph 1, schedule 22, Finance Act 2013 (*Fixed Protection 2014*) or analogous protection under any subsequent legislation for the time being applies.

**“EPP Member”** means a Member who:

- (A) joins the Employee Pension Plan on or after the Fifth Revision Date; and
- (B) has not subsequently become a Saver.

**“EP/S Plan”** means, in relation to a Member, whichever of the Employee Pension Plan or Savings Plan the Member belongs to.

**“FA 2004”** means the Finance Act 2004.

**“Fifth Revision Date”** means 1 March 2013.

**“Final Pensionable Pay”** means, in relation to an RP Member:

- (A) for determining the benefits under Rule 19.1 (*Death in Service: RP Members in Pensionable Service*), the Pensionable Pay, or
- (B) for any other purpose, Restricted Pensionable Pay,

for that one out of the last ten Tax Years to end on or before the last day of Pensionable Service which gives rise to the highest amount. Notwithstanding the foregoing:

- (1) if the last day of Pensionable Service occurs on or after 31 March in any Tax Year, that Tax Year shall be deemed to end on that last day of Pensionable Service so that the Pensionable Pay or the Restricted Pensionable Pay, as applicable, for that Tax Year may be taken into account for the purposes of this definition;
- (2) where the Member ceases to be in Pensionable Service before he has been in Service throughout a complete Tax Year, “Final Pensionable Pay” means:
  - (a) if the Member is in Service on 5 April coincident with, or, if not coincident with, immediately preceding, the last day of Pensionable Service, the annual average of Pensionable Pay or Restricted Pensionable Pay, as applicable, for the period while the Member is in Service ending on and including that 5 April;
  - (b) in any other case, the annual average of Pensionable Pay or Restricted Pensionable Pay, as applicable, for the period while the Member is in Service ending on and including the last day of Pensionable Service;
- (3) during any period benefits are payable in respect of the Member under any group income protection (or permanent health) arrangement maintained by the Employer, the respective amounts of Pensionable Pay and Restricted Pensionable Pay shall be taken to be the greater of:
  - (a) the amounts which they were for the Tax Year in which the last 31 March falls on which the Member is accruing basic salary or basic wages from the Employer at the

rate to which the Member is entitled when working normally increased by the IPS Percentage; and

- (b) such amount as the Employer and the Trustee agree;
- (4) Final Pensionable Pay may not (notwithstanding any contrary provision) exceed the Earnings Cap and any excess of what would have been Final Pensionable Pay (apart from this exception) shall be disregarded.

**“First Revision Date”** means 6 April 1997.

**“Former Principal Company”** means Blueslate Limited (dissolved) (previously called The William Hill Group Limited) being a company which was registered in England and Wales as No. 2403488.

**“Former Scheme”** means, in relation to a Member who joins the Scheme with effect from the Commencement Date, that one (if any) of the occupational pension schemes named below under which immediately prior to the Commencement Date the Member was in pensionable service, the schemes being:

- (A) the GM Fund,
- (B) the GM Executive Fund, and
- (C) the BW Plan

and the term **“Former Scheme”** shall also include:

- (1) such one or more of the WHO Scheme and of the other schemes named above under which the Member was previously in pensionable service provided that such pensionable service was treated under the scheme, (the **“last scheme”**), under which the Member was in pensionable service immediately prior to the Commencement Date as continuous with the pensionable service completed under the last scheme and a transfer payment has been made to the last scheme in lieu of all the benefits otherwise payable under those other schemes to or in respect of the Member;
- (2) in relation to a Member who is a Transferred Sears Scheme Member, the Sears Scheme.

**“Former Stanley Employee”** means an Employee who during his last or only period of Service and before becoming a Member or a Life Assurance Member was employed by:

- (A) Willstan Racing Limited (previously called Stanley Racing Limited) (company number 1127534); or
- (B) Willstan Limited (previously called L Stanley, Limited) (company number NI4101).

**“Formula Pension”** means, subject to Rule 28 (*Part-time employees*), as this definition applies to:

- (A) **An RP Member who is neither a Senior Member nor a Board Member** - an annual pension equal to the sum of:
  - (1) one-twelfth of 1/60<sup>th</sup> of Final Pensionable Pay for each month of Pensionable Service completed as an RP Member (but see notes below); plus
  - (2) the Transferred Pension (if any) as defined below;

(B) **A Senior Member** - an annual pension equal to the lesser of:

- (1) A + B + C, and
- (2) two-thirds of Final Pensionable Pay,

where:

- "A" = one-twelfth of 1/45<sup>th</sup> of Final Pensionable Pay for each month of Pensionable Service completed as a Senior Member (but see notes below);
- "B" = one-twelfth of 1/60<sup>th</sup> of Final Pensionable Pay for each month (if any) of Pensionable Service completed on or after the Commencement Date as an RP Member other than as a Senior Member (but see notes below);
- "C" = the Transferred Pension (if any) as defined below;

(C) **A Board Member** - an annual pension equal to the lesser of:

- (1) A + B + C + D, and
- (2) two-thirds of Final Pensionable Pay,

where:

- "A" = one-twelfth of 1/30<sup>th</sup> of Final Pensionable Pay for each month of Pensionable Service completed on or after the Commencement Date while a Board Member (but see notes below);
- "B" = one-twelfth of 1/45<sup>th</sup> of Final Pensionable Pay for each month (if any) of Pensionable Service completed as a Senior Member (but see notes below);
- "C" = one-twelfth of 1/60<sup>th</sup> of Final Pensionable Pay for each month (if any) of Pensionable Service completed as an RP Member other than a Senior Member or a Board Member (but see notes below);
- "D" = the Transferred Pension (if any) as defined below.

### Notes

1. The foregoing provisions of this definition shall (notwithstanding any contrary provision) take effect subject to the following:
  - (a) save for the purposes of determining (i) Final Pensionable Pay and (ii) the benefits payable under Rule 19.1 (*Death in Service: RP Members in Pensionable Service*), no period after 31 March 2011 shall count as Pensionable Service;
  - (b) the amount which is the Formula Pension on the last day of Pensionable Service shall not be less than the amount of the Formula Pension at 31 March 2011 revalued up to and including the last day of actual Pensionable Service. For this purpose the Formula Pension at 31 March 2011 shall be based on Pensionable Service up to and including that date and Pensionable Pay for the Tax Year ending 5 April 2011 (which shall be regarded as his Final Pensionable Pay). Revaluation shall be in accordance with Chapter II, Part IV, PSA (*Revaluation of accrued benefits (excluding GMPs)*) which shall apply as if the last day of the RP Member's Pensionable Service was 31 March 2011 and the RP Member reached normal pension age (within the meaning of s.180, PSA (*Normal pension age*)) on the last

day of actual Pensionable Service and the RP Member was not entitled to any GMP.

2. In this definition "Transferred Pension" means, in relation to a Transferred Member, the sum of:
- (a) one-twelfth of 1/60<sup>th</sup> of Final Pensionable Pay for each month of Pensionable Service (if any) completed as a member of the section of the GM Fund known at the Commencement Date as the "5% Pension Scheme", plus
  - (b) one-twelfth of 1/80<sup>th</sup> of Final Pensionable Pay for each month of Pensionable Service (if any) completed as a member of the section of the GM Fund known at the Commencement Date as the "3½% Pension Scheme", plus
  - (c) one-twelfth of 1/60<sup>th</sup> of Final Pensionable Pay for each month of Pensionable Service (if any) completed as a member of the WHO Scheme and which, by virtue of a transfer from that scheme to the GM Fund or the GM Executive Fund, was treated under that fund as continuous with the Pensionable Service completed as a member of it, plus
  - (d) if throughout the year from 1 October 1989 to 30 September 1990 (both dates inclusive) the Member contributed to the BW Plan:
    - (i) if such contributions were at the rate of 4% or 5% of pensionable earnings under the BW Plan, 1/60<sup>th</sup> of Final Pensionable Pay,
    - (ii) if such contributions were at the rate of 3% of pensionable earnings under the BW Plan, 1/80<sup>th</sup> of Final Pensionable Pay,disregarding for this purpose any additional voluntary contributions to the BW Plan, plus
  - (e) one-twelfth of 1/45<sup>th</sup> of Final Pensionable Pay for each month of Pensionable Service (if any) completed as a member of the GM Executive Fund, plus
  - (f) such amount as the Trustee determines in respect of any period of employment with any of the Employers (or their predecessors in business) but only if and to the extent that the pension payable in respect of such employment is specifically taken into account in the calculation of the transfer payment from the GM Fund to the Scheme.

"Fourth Revision Date" means 1 April 2011.

"GM Executive Fund" means the occupational pension scheme established by a trust deed dated 20 July 1977 known at the Commencement Date as the Grand Metropolitan Executive Pension Fund.

"GM Fund" means the occupational pension scheme established by a trust deed dated 24 May 1948 known at the Commencement Date as the Grand Metropolitan Group Pension Fund.

"GMP" has the same meaning as "guaranteed minimum pension" in s.8(2), PSA (*Meaning of "contracted-out employment", "guaranteed minimum pension" and "minimum payment"*).

"GMP Rules" means the rules contained in paragraph 1 of Appendix 1 (*GMP Rules*).

"HMRC" means HM Revenue and Customs.

**“Ill-health Condition”** is met by a Member if:

- (A) the Trustee and the Employer have received medical evidence from a Registered Medical Practitioner that the Member is (and will continue to be) incapable of carrying on the Member's occupation because of physical or mental incapacity;
- (B) the Member has, in fact, ceased to carry on the Member's occupation; and
- (C) if the Member is an RP Member who is applying to retire under Rule 15 (*Incapacity pension*), the Trustee and the Employer are satisfied that the Member's earning capacity is reduced substantially.

**“Insurer”** has the same meaning as insurance company in s.275, FA 2004 (*Insurance company*).

**“IPS Percentage”** means a percentage determined each 1 April while a Member is in receipt of benefits under any income protection (or permanent health) scheme of the Employer equal to the lesser of:

- (A) the percentage increase (if any) in the Consumer Prices Index (or such other official index as the Principal Company determines) over the period between the December in the Tax Year in which falls the last 31 March on or before the Member ceases to accrue basic salary or basic wages at the rate to which he is entitled when working normally and the December immediately prior to the date as at which such percentage is determined; and
- (B) 5% compound for each complete year in that period.

**“Investment Plan”** means the occupational pension scheme established by a deed dated 29 August 1990 known as The William Hill Investment Plan.

**“Investment Plan Member”** has the same meaning as in the Rules adopted by the Definitive Trust Deed dated 20 December 1991.

**“Life Assurance Member”** means an Employee who for the time being:

- (A) is at least 16 years old and under age 75;
- (B) is employed by the Employer to work, or ordinarily work, in the United Kingdom or the Employer determines is to be treated as a Life Assurance Member;
- (C) is neither covered for benefits under Rule 9 (*EP/S Plan: Death in Service*) or, in the case of an RP Member, Rule 19.1 (*Retirement Plan: Death in Service: RP Members in Pensionable Service*);
- (D) is either actively at work or, if not actively at work, has not been absent therefrom for a continuous period of more than two years (or such longer or shorter period as the Employer decides);
- (E) has throughout the last 12 months been in Service; and
- (F) unless the Principal Company otherwise determines, he is not a non-executive director of the Employer who either does not have a contract of employment with the Employer or is excluded from being a worker by virtue of s.90, PA 2008 (*Directors*);

except that if paragraph 12, schedule 36 to the FA 2004 (*Enhanced protection*), paragraph 14, schedule 18 to the Finance Act 2011 (*Fixed protection*), paragraph 1, schedule 22, Finance Act 2013 (*Fixed protection 2014*) or analogous protection under any subsequent legislation for the time being applies to the Employee, the Employee shall not become a Life Assurance Member unless

and until he consents in writing to do so, but any such Employee who became a Life Assurance Member before such protection applied to him may continue as such a Member.

In respect of any period before 1 December 2006, "Life Assurance Member" has the same meaning as in the Rules in force prior to that date.

**"Life Assurance Pay"** means, in relation to a deceased Member (whether a RP Member, an EPP Member, a Saver or a Life Assurance Member) and subject to Rules 25 (*Pension salary sacrifice*), 26 (*Flexible benefits*), 28 (*Part-time employees*), 29 (*Overseas employment*) and 33 (*Broken Service*), the greater of:

- (A) Eligible Earnings received in the last Tax Year to end on, or, if not on, before, the date of his death, and
- (B) the annual rate, at the date of his death, of his basic salary or basic wage from the Employer but excluding overtime, commission, bonuses, benefits in kind and other variable or additional earnings,

except that if, immediately prior to his death, benefits are payable in respect of him under any group income protection (or permanent health) arrangement maintained by the Employer, the Life Assurance Pay shall be the greater of:

- (1) the amount which would have been his Life Assurance Pay had he died on the last day upon which he accrued the basic salary or basic wages to which he is entitled when working normally increased by the IPS Percentage; and
- (2) such amount as the Employer and the Trustee agree.

**"Lifetime Allowance"** has the same meaning as in s.218, FA 2004 (*Individual's lifetime allowance and standard lifetime allowance*).

**"Lifetime Allowance Excess Lump Sum"** has the same meaning as in paragraph 11, schedule 29, FA 2004 (*Lifetime allowance excess lump sum*).

**"Maximum Life Assurance Amount"** means, in relation to a deceased Member, the amount of the standard lifetime allowance (within the meaning of s.218, FA 2004 (*Individual lifetime allowance and standard lifetime allowance*)) at the date of the Member's death or such amount as the Principal Company from time to time determines (whether generally or specifically in relation to the Member) and notifies the Trustee, whichever is the higher amount.

**"Member"** means a person who has been admitted to membership of the Scheme as an RP Member, an EPP Member or a Saver and in respect of whom benefits are payable (or contingently or prospectively payable) under the Scheme. It also includes, but only in respect of the benefits payable under Part 4 of the Rules (*Life only section*), a Life Assurance Member.

**"Member's Account"** has the same meaning as in Rule 7 (*Members' Accounts*).

**"Member's Contributions"** means, in relation to an RP Member, the total of:

- (A) the contributions (other than additional voluntary contributions) which the Member paid to the Scheme in respect of any period before the Fourth Revision Date without interest; plus
- (B) if the Member is a Transferred Member, the personal contributions (other than additional voluntary contributions) which he paid to the Former Scheme.

**"Minimum Payments"** has the same meaning as in s.8(2), PSA (*Meaning of "contracted-out employment", "guaranteed minimum payment" and "minimum payment"*).

**“Money Purchase Benefits”** has the same meaning as in s.181(1), PSA (*General interpretation*).

**“Non-Contributory Member”** means at any time on or after 1 April 2016 a Member whose annual base salary for the time being from the Employer is not less than £100,000 (or such higher amount as the Principal Company, by notice in writing to the Trustee, determines). If the Member is for the time being participating in any salary sacrifice or flexible benefit arrangement of the Employer, the Member’s base salary shall be deemed to be such amount as the Employer determines it would have been had the Member not been participating in such arrangement. Where a Member is paid in a currency other than sterling, the Member’s base salary shall be converted into sterling at such rate of exchange as the Principal Company from time to time determines. This definition takes effect subject to Rules 29 (*Overseas employment*) and 33 (*Broken Service*).

**“Normal Retirement Date”** or **“NRD”** means, in relation to:

- (A) an RP Member, his 63<sup>rd</sup> birthday;
- (B) a Saver who ceases to be in Pensionable Service before the Second Revision Date, his 63<sup>rd</sup> birthday;
- (C) any other Saver or any EPP Member, his 65<sup>th</sup> birthday;

unless:

- (1) he is notified as provided below that a different date is to apply to him, and
- (2) if such notification is given after he has entered Pensionable Service, he consents in writing to that different date applying to him,

in which event the date so notified to him. Any such notification must be in writing by the Principal Company.

**“Overriding Requirements”** means the Preservation Requirements and the Contracting-out Requirements (or such of them as may be applicable). They also include those requirements which by law override the Rules.

**“PA 1995”, “PA 2004”** and **“PA 2008”** means the Pensions Act 1995, the Pensions Act 2004 and the Pensions Act 2008 respectively.

**“Past Service Reserve”** means, in relation to an RP Member, an amount, calculated by reference to the Actuarial Assumptions, equal to the capital value at the Determination Date of the benefits which would be payable (whether immediately, prospectively or contingently) under the Retirement Plan on and after the Determination Date to or in respect of the RP Member if the Employer were to participate in the Retirement Plan on an indefinite basis. In calculating such benefits:

- (A) if the RP Member is in Pensionable Service on the Determination Date, allowance shall be made for prospective increases in earnings up to the assumed date of cessation of Pensionable Service, all in accordance with the Actuarial Assumptions;
- (B) where the Past Service Reserve is being calculated for the purposes of Rule 62.4 (*Termination: Procedure on termination*) and only if the RP Member is not in Pensionable Service at the Determination Date but had been in Pensionable Service at any time during the Insolvency Period, the same allowance shall be made for prospective increases in earnings in accordance with sub-paragraph (A) above as would have been made had the Determination Date occurred on the last day of actual Pensionable Service;
- (C) no account shall be taken of benefits in respect of Pensionable Service after the Determination Date;

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- (D) no account shall be taken of any lump sum benefit payable in the event of death while in Pensionable Service;
- (E) subject to sub-paragraph (C) above, allowance shall be made for the benefits in pension form payable in the event of death while in Pensionable Service;
- (F) allowance shall be made, in accordance with the Actuarial Assumptions, for increases (whether payable pursuant to a legal obligation or not) to pensions in payment or deferment;
- (G) no account shall be taken of any benefits attributable to any additional voluntary contributions paid by the RP Members (or any of them) to purchase additional benefits calculated on a money purchase basis;
- (H) if (i) the RP Member is a Specified Employee, (ii) the 55<sup>th</sup> anniversary of his birth occurs on or before the last day of Pensionable Service and (iii) it would result in the Past Service Reserve being of an amount greater than otherwise would be the case, then the RP Member shall be deemed to have retired entitled to a pension under Rule 16 (*Retirement Plan: Early retirement from Service*) on the last day of Pensionable Service and the reduction (if any) to the Formula Pension had been no greater than that which at the time generally applies under that Rule;

where:

- (1) “**Actuarial Assumptions**” means the actuarial assumptions and bases (including, without limitation, a market value adjustment) employed for the purposes of the last actuarial valuation of the Scheme to be completed on or before the Determination Date;
- (2) “**Affected Member**”, “**undertaking**” and “**transfer**” have the same meanings as in Rule 61 (*Augmentation on transfer of undertakings or on Employer ceasing to participate*);
- (3) “**Determination Date**” means:
  - (a) if the Past Service Reserve is being calculated for the purposes of Rule 62.4 (*Termination: Procedure on termination*), the Termination Date (which has the same meaning as in that Rule);
  - (b) in any other case, the last day of Pensionable Service;
- (4) “**Insolvency Period**” means the continuous period ending not earlier than the Determination Date during which any of the Employers (whether the Employer of the RP Member concerned or not) is insolvent. For this purpose an Employer shall be taken as being insolvent during any time while:
  - (a) an administration order is in force in relation to the Employer;
  - (b) a receiver or manager or administrative receiver is for the time being appointed over the whole or any of the assets of the Employer;
  - (c) a scheme of arrangement under the Companies Act or a voluntary arrangement under the Insolvency Acts is (in either case) for the time being in force in respect of the Employer; or
  - (d) the Employer is for the time being in liquidation;
- (5) “**Purchaser’s Group**” has the same meaning as Group would have in Rule 61 (*Augmentation on transfer of undertakings or on Employer ceasing to participate*) if Employers meant:

## Interpretation

- (a) where the Past Service Reserve is being calculated for the purposes of that Rule following the transfer of an undertaking, the transferee of that undertaking;
  - (b) where the Past Service Reserve is being calculated for the purposes of that Rule following one of the Employers, (the "Ceding Employer"), ceasing to participate in the Scheme, the Ceding Employer;
- (6) "**Specified Circumstances**" means, in relation to an RP Member, termination of his service with the Employer by reason of redundancy (voluntary or compulsory) or, in the opinion of the Trustee, for any reason in connection with or in contemplation of any programme of rationalisation, re-organisation or the like;
- (7) "**Specified Employee**" means:
- (a) if the Past Service Reserve is being calculated for the purposes of Rule 61 (*Augmentation on transfer of undertakings or on Employer ceasing to participate*) following the transfer of an undertaking, an RP Member who is an Affected Member other than a Member who following the transfer is employed by a member of the Purchaser's Group and does not, by the date which is 180 days after the date of the transfer, cease to be so employed in the Specified Circumstances;
  - (b) if the Past Service Reserve is being calculated for the purposes of Rule 61 (*Augmentation on transfer of undertakings or on Employer ceasing to participate*) following one of the Employers, (the "Ceding Employer"), ceasing to participate in the Scheme, an RP Member who is an Affected Member other than a Member who continues to be employed by the Ceding Employer after it ceases to participate in the Scheme or who is employed by a member of the Purchaser's Group and who, in either case, does not, by the date which is 180 days after the date upon which the Ceding Employer ceases to participate in the Scheme, cease to be so employed in the Specified Circumstances;
  - (c) if the Past Service Reserve is being calculated for the purposes of Rule 62.4 (*Termination: Procedure on termination*), an RP Member who ceases to be in Pensionable Service during the Insolvency Period other than an RP Member to whom Rule 61 (*Augmentation on transfer of undertakings or on Employer ceasing to participate*) has previously applied and who is not a Specified Employee pursuant to sub-paragraph (a) or (b) above.

"**Pensionable Pay**" means, in relation to an RP Member, an EPP Member or a Saver and for any period, the excess of Eligible Earnings received by him in that period over the lower earnings limit for national insurance contribution purposes for that period. For the purposes of this definition if the rate of the lower earnings limit changes during a pay period, the rate in force at the end of that pay period shall be deemed to have applied throughout that pay period.

"**Pensionable Service**" means, in relation to a Member (whether an RP Member, an EPP Member or a Saver), the sum of the following periods:

- (A) the period of Service completed from the date of joining the Scheme (other than as a Life Assurance Member) and before reaching age 75, subject to Rules 28 (*Part-time employees*), 32 (*Opting-out*) and 33 (*Broken Service*) except that no period which falls before both the Fifth Revision Date and the Member's 18<sup>th</sup> birthday shall count as Pensionable Service; plus
- (B) in the case of an RP Member who is a Transferred Member, the period before the Commencement Date which counted as pensionable service under the Former Scheme in respect of his last or only period of membership of the Former Scheme; plus

## Interpretation

- (C) any additional period which the Employer, with the Trustee's consent, deems to be Pensionable Service.

**“Pension Commencement Lump Sum”** has the same meaning as under paragraph 1, schedule 29, FA 2004 (*Pension commencement lump sum*).

**“Personal Pension Scheme”** has the same meaning as in s.1, PSA (*Categories of pension scheme*).

**“Preservation Requirements”** have the same meaning as in s.69(2), PSA (*Scope of Chapter I: the preservation requirements*).

**“Previous Revenue Limits”** means the limits and restrictions on benefits under the Scheme which immediately prior to 6 April 2006 applied as a condition of HMRC for approval of the Scheme under Chapter I, Part XIV of the Taxes Act (*Retirement benefit schemes*) or, as the case may be, would have so applied had the Scheme been so approved.

**“Principal Company”** means William Hill Organization Limited, subject to Rule 64 (*Change in Principal Company*). Prior to 1 December 1997 it meant the Former Principal Company.

**“Protected Rights Underpin”** (or **“PR Underpin”**) means the provisions of Appendix 2 (*Protected Rights Underpin*) and **“PA Assets”** has the same meaning as in that Appendix.

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

**“Qualifying Conditions”** shall be regarded as having been satisfied by a Member (whether an RP, an EPP Member or a Saver) if:

- (A) where the Member entered Pensionable Service for the first or only time on or after 1 October 2015, the Member has at least 30 days' qualifying service and, if he is entitled to benefits because of this paragraph, all of those benefits would be Money Purchase Benefits (where “30 days' qualifying service” has the same meaning as in s.71, PSA (*Basic principle as to short service benefit*)); or
- (B) the Member has completed at least 2 years' qualifying service (within the meaning of s.71 referred to above); or
- (C) a transfer payment has been made to the Scheme for the Member from a Personal Pension Scheme; or
- (D) in accordance with the Preservation Requirements, the Member became entitled to a short service benefit (within the meaning of s.71, PSA (*Basic principle as to short service benefit*)) on the termination of a previous period of Pensionable Service and those benefits continue to be payable under the Scheme;

Broadly, and without prejudice to the foregoing, **“qualifying service”** means, in relation to a Member, the aggregate of the following periods (no period counting more than once):

- (1) the last or only period of continuous employment with the Employer while a Member except that the continuity of a period of such employment shall be deemed not to have been broken by a break satisfying one or more of the following conditions with the intent that the employment immediately before and immediately after the break, but not the break itself, shall be treated as continuous. The conditions referred to above are as follows:
- (a) the break does not exceed one month;
- (b) the break corresponds to the Member's absence from work wholly or partly because of pregnancy or confinement, the Member returns to work after the break

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in exercise of a right under s.73, Employment Act (*Additional maternity leave*) and the Member returns to Pensionable Service no later than one month after returning to work;

- (c) the break corresponds to the Member's absence from work in furtherance of a "trade dispute" (as defined in s.27(3)(b), Social Security Contributions and Benefits Act 1992 (*Interruption of employment in connection with trade dispute*));
- (2) where under the rules of an occupational pension scheme of which the Member was formerly a member:
- (a) there was a transfer of his accrued rights under that scheme to the Scheme, or
  - (b) those rights were secured by a policy of insurance or annuity contract and were subsequently transferred to the Scheme,

the period of actual service as a member of that other scheme plus any period which counted as linked qualifying service under it.

**"Qualifying Spouse"** means, in relation to a deceased RP Member, the Spouse of the Member other than (unless the Principal Company and the Trustee otherwise decides) the Spouse of:

- (A) a marriage entered into after the Member ceases to be in Pensionable Service and within six months of the Member's death; or
- (B) a polygamous marriage where the Trustee is aware that the Member is survived by more than one Spouse.

In any case where there is more than one Spouse, the Rules shall apply on the basis that the pension which would have been payable to a sole surviving Spouse is apportioned among them as the Trustee directs. Unless and until the Trustee becomes aware of the existence of more than one Spouse, the Trustee may act on the assumption that the Member is not survived by more than one Spouse.

**"Registered Medical Practitioner"** has the same meaning as under the Interpretation Act 1978 (or such other medical practitioner as may be acceptable to HMRC for any particular purpose).

**"Registered Pension Scheme"** has the same meaning as in s.150(2), FA 2004 (*Meaning of pension scheme*).

**"Restricted Eligible Earnings"** in relation to an RP Member and a Tax Year means:

- (A) for any Tax Year ending on or before 5 April 2011, the Eligible Earnings for that Tax Year;
- (B) for any subsequent Tax Year, the Eligible Earnings for that Tax Year except that the amount of Eligible Earnings for that Tax Year shall not be more than 5% greater than the highest amount of Restricted Eligible Earnings for any previous Tax Year.

**"Restricted Pensionable Pay"** in relation to an RP Member and any Tax Year means the excess of the Restricted Eligible Earnings received by the RP Member in that Tax Year over the lower earnings limit for national insurance contribution purposes for that Tax Year. For the purposes of this definition, if the rate of the lower earnings limit changes during a pay period, the rate in force at the end of that pay period shall be deemed to apply throughout that pay period.

**"Retirement Plan"** means the William Hill Retirement Plan. It comprises the Rules other than Part 2 (*Employee Pension and Savings Plans*), Part 4 (*Life Only Section*) and Appendix 4 (*Contribution Percentages*).

**“Revaluation Requirements”** means the requirements (which override the Rules) of Chapters II and III, Part IV, PSA (*Revaluation of Accrued Benefits (excluding GMPs) and Protection to Increases to GMPs (“Anti-franking”)*) except that any reference in schedule 3, PSA (*Methods of Revaluing Accrued Pension Benefits*) to the “appropriate lower revaluation percentage” shall be ignored for the purposes of revaluing an RP Member’s pension payable under Rule 21.1 (*Leaving Service: Deferred pension*) and such pension shall be revalued by reference to the “appropriate higher revaluation percentage” irrespective of when pensionable service terminated.

**“RP Member”** means a Member who joins the Scheme before 1 December 2006 other than:

- (A) a Member who becomes a Saver before the Fourth Revision Date; or
- (B) a Member who has only been a Life Assurance Member.

Membership of the Scheme on or after the Second Revision Date as an RP Member (as defined under the Rules from time to time in force prior to the Third Revision Date) and membership of the Scheme before the First Revision Date (other than as a Life Assurance Member or an Investment Plan Member) shall be regarded as membership as an RP Member.

**“Rules”** means these rules as amended from time to time.

**“Saver”** means a Member:

- (A) who joins the Savings Plan on or after the First Revision Date; or
- (B) who is an Employed RP Member (subject to Rule 32.1 (*Opting-out of the Savings Plan as from Fourth Revision Date*)); or
- (C) who transferred to the Savings Plan pursuant to Rule 4.3 (*Applicable Plan*) of these Rules or pursuant to Rule 27 (*Transfer from Retirement to Savings Plan*) of the Rules in force immediately prior to the Fourth Revision Date;

except that it does not include any such Member who has subsequently become an EPP Member.

**“Savings Plan”** means the William Hill Pension Savings Plan 2001 (which before the Second Revision Date was known as The William Hill Pension Savings Plan). It comprises the Rules other than part 3 (*William Hill Retirement Plan*), part 4 (*Life Only Section*) and appendix 1 and appendix 2 (*GMP and EPBs, and Protected Rights Underpin respectively*) and those provisions of part 2 of the Rules (*Employee Pension and Savings Plans*) which apply exclusively to or in respect of EPP Members.

**“Scheme”** means The William Hill Pension Scheme established by a deed dated 29 August 1990. It was originally called The William Hill Retirement Plan.

**“Sears Scheme”** means the occupational pension scheme known on 2 November 1989 as the Sears Group Senior Executive Pension Scheme.

**“Second Revision Date”** means 1 July 2001.

**“Senior Member”** means an RP Member who before 6 April 2006 was notified in writing by William Hill Organization Limited (or while it was Principal Company by the Former Principal Company) that he is included, or if such notification was given before he joined the Scheme that on joining the Scheme he is to be included, in the Senior Executive Section of the Scheme and who has not become a Board Member.

**“Service”** means, in relation to an RP Member, an EPP Member, a Saver or a Life Assurance Member, the last or only period of continuous employment with the Employer, subject to Rules 30 (*Flexible retirement*), 31 (*Employed RP Members: Separate treatment of Retirement Plan and EP/S*)

## Interpretation

*Plan benefits*), 32 (*Opting-out*) and 33 (*Broken Service*). For this purpose, a person shall not be regarded as leaving employment if he is transferring from the employment of one Employer to that of another.

**“Sixth Revision Date”** has the same meaning as in the deed by which this edition of the Rules is adopted.

**“Spouse”** means, in relation to any individual, (“A”):

- (A) any person (regardless of sex) who is recognised under the law of England and Wales to be the spouse of A; and
- (B) any person who is the civil partner of A;

and includes after A's death any person who on A's death is within (A) or (B) of this definition. In these Rules widow or widower shall be construed accordingly and marriage includes a civil partnership. In this definition **“civil partner”** and **“civil partnership”** have the same meanings as in the Civil Partnership Act 2004.

**“State Pension Age”**:

- (A) so far as any provision relates to GMPs, means the age of 65 in the case of a man and the age of 60 in the case of a woman;
- (B) in any other case, it has the same meaning as “pensionable age” in paragraph 1, schedule 4, PA 1995 (*Rules for determining pensionable age*).

**“Taxes Act”** means the Income and Corporation Taxes Act 1988.

**“Tax Year”** means a 12-month period commencing on any 6 April.

**“Third Revision Date”** means 30 June 2008.

**“Transfer Fund”** has the same meaning as in Rule 36.3 (*Transfers-in: Money Purchase Benefits*).

**“Transferred Member”** means:

- (A) an RP Member who joins the Scheme on the Commencement Date (other than as an Investment Plan Member or a Life Assurance Member as those terms are defined in the Rules adopted by the Definitive Trust Deed dated 20 December 1991) and who immediately prior to the Commencement Date was in pensionable service under the Former Scheme and who before 1 January 1991 consents in writing to a transfer payment being made to the Scheme from the Former Scheme in lieu of the benefits otherwise payable under the Former Scheme in respect of him and for whom such transfer is made; or
- (B) an RP Member who is a Transferred Sears Scheme Member.

**“Transferred Sears Scheme Member”** means an RP Member who joined the Scheme with effect from the Commencement Date and for whom the Trustee received before 1 September 1991 a transfer payment from the Sears Scheme.

**“Transfer Regulations”** means the Contracting-out (Transfer and Transfer Payments) Regulations 1996.

**“Trust Assets”** means the money and assets for the time being held by the Trustee subject to the trusts of the Scheme.

## Interpretation

**“Trust Deed”** means the deed dated 20 December 1991 made between (1) the Former Principal Company, (2) the Principal Company and (3) the Trustee by which the Rules were first adopted and all deeds and instruments supplemental to that deed. A list of deeds executed prior to the Sixth Revision Date is contained in appendix 6 (the *Trust Deeds*).

**“Trustee”** means the trustee for the time being of the Scheme.

**“WHO Scheme”** means the occupational pension scheme known at the Commencement Date as the William Hill Organization Pension Scheme.

## PART 2: EMPLOYEE PENSION & SAVINGS PLANS

### 3. Introduction

#### 3.1 Application

This Part 2 of the Rules (*Employee Pension & Savings Plans*) applies only to or in relation to EPP Members and Savers and, but only for the purposes of becoming such a Member, other Employees.

#### 3.2 AVCs and Retirement Plan

The benefits payable under this Part 2 are exclusive of the benefits (if any) payable under Rule 35 (AVCs) and, in the case of Employed RP Members, the Retirement Plan.

### 4. Joining

#### 4.1 Definitions

In this Rule 4:

- (A) “**Active Member**” means a Member who is in Service and is, or apart from any absence to which Rule 33.2 (*Maternity, adoption and paternity leave*), 33.3 (*Family leave*) or 33.5 (*Other absences from work*) applies would be, in Pensionable Service.
- (B) “**Eligible Employee**” means, subject to Rule 4.2(G), an Employee who meets the following conditions:
- (1) his contract of employment with the Employer does not provide that he is ineligible for membership of the Scheme (or words to that effect);
  - (2) he is aged 16 or over and under age 75 years;
  - (3) he is working, or ordinarily works, in the United Kingdom under his contract of employment with the Employer or he is invited by the Principal Company to join the Scheme;
  - (4) unless the Principal Company otherwise determines, he is not an active member of any other Registered Pension Scheme (or analogous arrangement established outside the United Kingdom) to which the Employer contributes or otherwise participates; and
  - (5) unless the Principal Company otherwise determines, he is not a non-executive director of the Employer (where a “non-executive director” is a director who either does not have a contract of employment with the Employer or is excluded from being a worker by virtue of s.90, PA 2008 (*Directors*)).
- (C) “**Eligible Jobholder**” means an Employee who meets the requirements of s.1(1) and 3(1), PA 2008 in relation to the Employer.
- (D) “**Management Employee**” means an Employee who is for the time being:
- (1) a director of the Principal Company, William Hill Holdings Limited, William Hill PLC or WHG (International) Limited; or
  - (2) classified by the Employer for employment purposes as a senior executive, a senior manager or a group manager (including a district operations manager on a permanent contract) of the Employer; or

- (3) designated by the Principal Company as a Management Employee for the purposes of this definition.
- (E) “**Provisional Member**” has the same meaning as under the Rules in force immediately prior to the Fifth Revision Date.
- (F) “**Statutory Automatic Enrolment Date**” in relation to an Employee has the same meaning as automatic enrolment date under s.3 and s.4, PA 2008 (*Automatic enrolment and Postponement or disapplication of automatic enrolment*).

#### 4.2 Admission

- (A) **Automatic enrolment:** Subject as otherwise provided in this Rule 4, an Eligible Employee who is an Eligible Jobholder but not an Active Member shall automatically become an Active Member on the Statutory Automatic Enrolment Date.
- (B) **Contractual enrolment:** Subject as otherwise provided in this Rule 4, if an Employee who is an Eligible Employee but not an Active Member becomes a Management Employee, the Employee shall immediately become an Active Member provided that a Statutory Automatic Enrolment Date has not occurred in relation to him.
- (C) **Opting-in:**
  - (1) Subject as otherwise provided in this paragraph (C), an Eligible Employee (whether or not an Eligible Jobholder) who is not an Active Member may at any time elect to become such a Member. To make such an election, the Employee must give the Employer written notice which is signed by the Employee or, where the notice is in electronic format, which includes a statement confirming the Employee personally submitted the notice.
  - (2) If an Employee becomes an Active Member pursuant to a notice under sub-paragraph (1) and within a period of 12 months beginning with the date on which such notice was given to the Employer ceases to be such a Member, the Employee may not give a further notice under sub-paragraph (1) before the end of that 12-month period unless either:
    - (a) the Employer consents, or
    - (b) when the first notice was given qualifying earnings were not payable by the Employer in the relevant pay reference period but are so payable when the further notice is given (or vice versa), where “qualifying earnings” and “pay reference period” have the same meanings as in s.13 and s.15, PA 2008 respectively.
  - (3) The Employee will become an Active Member on the first day of the next open pay period to commence after such notice is received by the Employer, provided that the notice is then still extant and he is not admitted before then as such a Member pursuant to the other provisions of this sub-rule 4.2. A pay period is open only until the Employer’s payroll arrangements for that period have been closed.
- (D) **Re-enrolment:** An Employee who is an Eligible Employee but who has ceased to be an Active Member in accordance with Rule 4.4 or 32 (each, *Opting-out*) or Rule 30 (*Flexible retirement*) will be automatically re-enrolled as an Active Member on (if he has not previously been an Eligible Jobholder and an Active Member on the Statutory Automatic Enrolment Date) the Statutory Automatic Enrolment Date in accordance with Rule 4.2(A) or (in any other case) his Automatic Re-enrolment Date, provided that (in either case) he is then an Eligible Jobholder and (unless the Employer otherwise determines) more than 12 months have passed beginning with the date he ceased to be an Active Member. For this

purpose the “Automatic Re-enrolment Date” has the same meaning as in s.5, PA 2008 and regulation 12, Automatic Enrolment Regulations (each, *Automatic re-enrolment*).

- (E) **Discretionary Admission:** At the behest of the Principal Company, the Trustee shall admit an Employee (whether or not otherwise eligible) to membership of the Employee Pension Plan or the Savings Plan (as the Principal Company directs) on such terms as to benefits and contributions as the Principal Company decides, subject to the Overriding Requirements. The Trustee shall notify those terms to the Employee in writing.
- (F) **Information:** When an Employee becomes an Active Member, the Employer shall supply information to the Trustee on the Employee in accordance with the Automatic Enrolment Regulations.
- (G) **Enhanced/Fixed Protection Employee:** An Employee shall not be regarded as an Eligible Employee and may not become an Active Member if he is an Enhanced/Fixed Protection Employee unless he elects in writing to become an Active Member.

#### 4.3 Applicable Plan

- (A) On becoming an Active Member an Employee shall join:
  - (1) subject to sub-paragraph (2), the Employee Pension Plan;
  - (2) if the Employee is a Management Employee, or if the Principal Company so determines, the Savings Plan except that (unless the Principal Company otherwise determines) if the Employee becomes an Active Member on a date other than 1 March (or such other date as the Principal Company may from time to time determine), (the “Flex Window Date”), and has either previously declined to become an Active Member or has ceased to be such a Member in accordance with Rule 4.4 or 32 (each, *Opting-out*) or Rule 30 (*Flexible retirement*) the Employee shall be included in the Employee Pension Plan until the next following Flex Window Date and then on that Flex Window Date the Employee shall be transferred to the Savings Plan for benefits in respect of Pensionable Service as from that date.
- (B) An Employee shall switch from the Employee Pension Plan to the Savings Plan if after joining the Employee Pension Plan he becomes a Management Employee and may do so at any other time at the invitation of the Principal Company. The switch shall occur as from the date the Employee becomes a Management Employee or the date with effect from which invites him to become a Saver, whichever is applicable.
- (C) An Employee who has joined the Savings Plan may continue in the Savings Plan while he continues in Service (subject to Rule 33 (*Broken Service*)) but if he is not for the time being a Management Employee he may, by notice in writing to the Employer and the Trustee, switch to being an EPP Member. Any such switch is irrevocable, subject to paragraph (B). The switch shall occur on the first day of the next open pay period to commence after the Employer receives such notice. A pay period is open only until the Employer’s payroll arrangements for that period have been closed.

#### 4.4 Opting-out

- (A) An Employee who becomes an Active Member pursuant to sub-rule 4.2 may cease to be such a Member in accordance with paragraph (B). If the Employee does so, he shall be treated as if he had not become such a Member on that occasion and any contributions paid to or in respect of him pursuant to Rule 5 (*Members’ contributions*) or Rule 6 (*Employer contributions*) shall be refunded to the payer.
- (B) To cease to be an Active Member in accordance with paragraph (A), the Employee must give notice to the Employer. In the circumstances prescribed by the PA 2008 and the

Automatic Enrolment Regulations, such notice must be obtained and given in accordance with regulation 9, 15 or 19, as applicable, of those regulations and within the period prescribed for this purpose under that regulation. In any other circumstances, such notice must be given within one month from the date of enrolment or re-enrolment, as the case may be, or if such notice purportedly given within such period but is defective, a correct notice is given within six weeks of that date. The Employer must notify an Employee of any such defect as soon as reasonably practicable after the Employer becomes aware of the defect.

- (C) Where an Employee gives notice in accordance with the foregoing provisions of this sub-rule 4.4:
- (1) if such notice is given on or after the Statutory Automatic Enrolment Date or within the 12 months preceding that date, the Employee shall be subject to re-enrolment as an Active Member in accordance with sub-rule 4.2(D); and
  - (2) in any other case, the Employee shall be subject to automatic enrolment in accordance with sub-rule 4.2(A);

and, in either case, sub-rule 4.2(C) shall also apply.

#### 4.5 Provisional Members

- (A) An Employee who becomes a Provisional Member before the Fifth Revision Date may continue as such a Member while he remains in Service and is not eligible for full membership of the Savings Plan. The Employee will become eligible for full membership of the Savings Plan on the first day of the calendar month coincident with, or if not coincident with next following, the later of (a) the Employee's 25<sup>th</sup> birthday and (b) the second anniversary of the first day of Service. On becoming so eligible and subject to paragraph (B), an Employee shall cease to be a Provisional Member but will remain a Saver.
- (B) An Employee who is a Provisional Member may elect to join the Employee Pension Plan. Sub-rule 4.2(C) shall apply with any necessary consequential changes. Immediately prior to becoming an EPP Member, the Employee shall cease to be a Provisional Member. If the Employee becomes an EPP Member, he may not subsequently become a Saver except as provided in sub-rule 4.3(B).
- (C) No Employee may become a Provisional Member on or after the Fifth Revision Date.

#### 4.6 Late entry – Savers only

If:

- (A) the liability for any benefits payable on the death of a Saver is insured and the terms of such insurance are such that cover will not be provided or will not be provided in full on the life of an Employee who does not become a Saver (other than a Provisional Member) by a specified date or within a specified period, and
- (B) the Employee concerned does not become such a Saver by that date or within that period,

the benefits payable on his death shall be limited to those available to a Provisional Member unless, and to the extent that, the Trustee otherwise decides.

#### 4.7 Exclusion of certain Employees

Despite anything in this Rule 4 to the contrary, an Employee may not become a Member if the Principal Company so directs; or

#### 4.8 **Incorrect information**

If any information supplied to the Trustee by or on behalf of a Member (whether before or after becoming a Member) is incorrect, then, despite any contrary Rule but subject to the Overriding Requirements, benefits (other than any Money Purchase Benefits) payable on the death of the Member shall be such as the Trustee considers appropriate having regard to the extent of the variance between the incorrect information and the true facts.

### 5. **Members' contributions**

#### 5.1 **Members' contributions**

- (A) Subject to Rules 25 (*Pension salary sacrifice*), 28 (*Part-time employees*) and 33 (*Broken Service*), a Member (other than a Non-Contributory Member) must, as a condition of membership, contribute to the Trust Assets while in Pensionable Service the percentage determined in accordance with this sub-rule 5.1 of his Contribution Pay from time to time.
- (B) The percentage applicable in any year commencing on any 1 April shall be determined in accordance with the relevant table set out in appendix 4 (*Contribution percentages*). In the case of a Saver (other than a Provisional Member), such percentage shall be determined by reference to the Saver's grade or job description and, if applicable, age on that date or on first becoming a Saver (whether as a result of joining the Scheme or promotion), if later.
- (C) The Principal Company may, by notice in writing to the Trustee and the Member or Members concerned, vary all or any of the percentages set out in appendix 4 (*Contribution Percentages*). The accidental omission to send such notice to any person or the non-receipt of such notice by any person shall not invalidate the variation. Such percentages as they apply to Employed RP Members may not, however, be increased without the written consent of the Trustee. If at any time the rates are revised, the new rates shall apply as from the date specified in the notice but no such notice may have retrospective effect.
- (D) No contributions shall be payable under this sub-rule 5.1 by a Non-Contributory Member.

#### 5.2 **Deduction from pay**

The Employer shall deduct the contributions of a Member from his earnings and pay the amount so deducted to the Trustee within such period as is permitted under s.49(8), PA 1995 (*Other responsibilities of trustees, employers, etc.*), which as at the Sixth Revision Date is (where paid by means of electronic communications) 22 days (or in any other case) 19 days commencing from the end of the month in which the amount is deducted from earnings in question except that (unless the Member becomes a Member pursuant to Rule 4.2(B) (*Contractual enrolment*)) the first payment need not be made until the last day of the second month after the month which includes the date on which the Member becomes a Member.

### 6. **Employer contributions**

#### 6.1 **Employer's liability**

- (A) Subject to Rules 25 (*Pension salary sacrifice*), 28 (*Part-time employees*) and 33 (*Broken Service*), the Employer shall pay to the Trustee for each Member who is for the time being paying contributions under Rule 5 (*Members' contributions*) a percentage determined in accordance with this sub-rule 6.1 of the Member's Contribution Pay from time to time.
- (B) The percentage applicable in any year commencing on any 1 April shall be determined in accordance with the relevant table set out in Appendix 4 (*Contribution percentages*). In the case of a Saver (other than a Provisional Member), such percentage shall be determined by reference to the Saver's age, grade or job description and, if applicable, age on that date

or on first becoming a Saver (whether as a result of joining the Scheme or promotion, if later).

- (C) Paragraph (B) shall not apply in relation to a Saver who is for the time being participating in a flexible benefits arrangement provided by the Employer which extends to the contributions payable under this sub-rule 6.1. Instead the percentage applicable in any year commencing on any 1 April (or on becoming a Saver, if later) shall be such as the Saver elects and the Employer agrees (all in accordance with the terms of that flexible benefits arrangement). However, that percentage must be a multiple of five and must not be less than five nor more than 20.
- (D) The Employer shall pay such contributions to the Trustee at or about the same time as the Employer pays the Members' contributions to the Trustee in accordance with Rule 5.1 (*Members' contributions*) or would have paid them had the Member not been participating in the flexible benefit arrangement.
- (E) The Principal Company may, by notice in writing to the Trustee and the Member or Members concerned, vary all or any of the percentages set out in appendix 4 (*Contribution percentages*) (including, without limitation, reducing them to zero). The accidental omission to send such notice to any person or the non-receipt of such notice by any person shall not invalidate the variation. Such percentages as they apply to Employed RP Members may not, however, be reduced without the written consent of the Trustee.
- (F) The foregoing provisions of this sub-rule 6.1 shall not apply in relation to a Member who is for the time being a Non-Contributory Member. Instead the Employer shall pay to the Trustee for such Member contributions at an annual rate of £10,000 (or such higher amount as the Principal Company, by notice in writing to the Trustee, specifies). Such contributions shall accrue daily and shall be payable not less frequently than monthly. This paragraph (F) takes effect subject to Rule 33 (*Broken Service*).
- (G) The Employer may pay one off or additional contributions for any Member.

## 6.2 Payment of Employer contributions out of Scheme resources

Where the Conditions (as defined below) are for the time being satisfied and to the extent consistent with Chapter 1, Part 1, PA 2008 (*Pension scheme membership for jobholders: Employers' duties*), there may (if the Principal Company so requests) be debited from the Unallocated Assets (as defined below) an amount equal to any contribution otherwise payable by an Employer under sub-rule 6.1 and the amount so debited shall be treated as that contribution for all and any of the purposes of the Scheme. In this sub-rule 6.2:

- (A) "**Unallocated Assets**" means the Trust Assets other than those which represent:
  - (1) Members' Accounts;
  - (2) PR Assets;
  - (3) AVC Funds; and
  - (4) Transfer Funds;
- (B) the "**Conditions**" at any time shall be satisfied if:
  - (1) there is in force a current certificate, (the "**Certificate**"), of the Actuary (no such certificate may be given for a period exceeding 12 months) that in his opinion (which may be formed by way of extrapolation from the last actuarial valuation of the Scheme) after allowing for such amount or amounts to be debited from the Unallocated Assets under this sub-rule 6.2 as are specified in the Certificate:

- (a) no contributions (other than those which the Employer will continue to pay) need to be paid by the Employer to the Scheme over the Control Period, and
- (b) even if no such contributions are paid, the value of the Trust Assets at the end of the Control Period will still be sufficient to fund the benefits payable, or prospectively or contingently payable, under the Scheme in respect of Service up to the end of that period but making explicit allowance for future pay increases; and

(2) the Trustee consents; and

(C) **“Control Period”** means three years.

## 7. **Members’ Accounts**

### 7.1 **Separate accounts**

The Trustee shall maintain a separate account or, where so required under Rule 30.3 (*Flexible retirement: Future Service benefits*), accounts, (each, the **“Member’s Account”**), for each EPP Member and for each Saver.

### 7.2 **Credits and debits**

The following credits and debits shall be made to the Member’s Account:

#### (A) **Credits:**

- (1) the amount of any contributions paid by or in respect of the Member under Rule 5 (*Members’ contributions*), 6 (*Employer contributions*) or 25 (*Pension salary sacrifice*);
- (2) the amount credited to the Member’s Account pursuant to Rule 36.2 (*Transfers-in: Benefits provided*) or 36.4 (*Group transfers-in*);
- (3) any income from or accretions to the money and assets from time to time comprising the Member’s Account;
- (4) any amount credited to the Member’s Account pursuant to Rule 27 (*Transfer from Retirement to Savings Plan*) of the Rules in force immediately prior to the Fourth Revision Date; and
- (5) the amount of any other payment received by the Trustee to provide Money Purchase Benefits for or in respect of the Member and not forming part of the PR Assets, the AVC Fund or the Transfer Fund.

#### (B) **Debits:**

- (1) the amount of any payments made out of the Member’s Account by the Trustee to or in respect of the Member by way of benefits, transfer value or otherwise;
- (2) any amount debited pursuant to Rule 48 (*Charging benefits with debts to Employer*) or Appendix 3 (*Pension Sharing on Divorce*);
- (3) the expenses incurred by the Trustee (a) in investing and managing the money and assets from time to time comprising the Member’s Account (including, but without limitation, any expenses of realising assets to provide benefits), (b) in giving effect to the provisions of Rule 11 (*Securing benefits*) (including, but without limitation, selecting any policy and setting up any benefits which are not to be secured by a

policy) save to the extent that the Trustee determines to bear such expenses and (c) such other expenses as may not be recoverable from the Employer; and

- (4) all and any tax or duty for which the Trustee is liable on the income from or capital gains on or otherwise in connection with the money or assets from time to time comprising the Member's Account.

### 7.3 **Notional only**

Any allocation of the money and assets pursuant to this Rule 7 is for benefit calculation purposes only. No beneficiary is entitled to any specific Trust Assets and his entitlement to benefits lies against the Trust Assets as a whole.

## 8. **Benefits on retirement from Service**

### 8.1 **Commencement**

- (A) Subject to paragraphs (B) and (C), benefits shall become payable under sub-rule 8.2 on a Member retiring from Service:
- (1) on or after NRD (or on the day before the Member reaches age 75, whichever is the earlier); or
  - (2) either when in the Trustee's opinion the Ill-health Condition is met by the Member or on or after the Member reaching age 55 provided that, in either case:
    - (a) the Member elects to receive benefits under this Rule 8 in lieu of those under Rule 10 (*Leaving Service*); and
    - (b) if the Member is under age 60, both the Employer and the Trustee consent to him doing so.
- (B) A Member who ceases to be in Service on or after the day before NRD may elect to defer the date with effect from which benefits become payable under sub-rule 8.2 to a date after the Member has left Service but not to a date later than the day before his 75<sup>th</sup> birthday. Subject thereto and to giving the Trustee such prior notice as the Trustee requires, the benefits shall become payable under sub-rule 8.2 with effect from such date as the Member elects. If the Member dies before any such benefits are paid, Rule 10.3 (*Death after leaving Service but before retirement*) shall apply with any necessary consequential changes.
- (C) Rule 10 (*Leaving Service*) shall apply to a Member who leaves Service before NRD and for whom immediate benefits are not to be provided under this Rule 8 on him doing so.

### 8.2 **Selection of benefits**

- (A) On benefits becoming payable in respect of a Member in accordance with this sub-rule 8.2, and if the Member is an Employed RP Member subject to Rule 8.3, the Trustee shall apply the proceeds of the Member's Account to provide such of the following benefits as the Trustee selects having regard to any wishes of the Member which the Member makes known to the Trustee in writing:
- (1) a lump sum to the Member;
  - (2) an immediate pension to the Member;
  - (3) a pension payable to such one or more, if any, of the Death Beneficiaries of the Member whom the Trustee selects, commencing on the death of the Member;

- (4) a lump sum payable on the death of the Member before the fifth anniversary of the commencement of his pension;
  - (5) any other Authorised Benefits.
- (B) In relation to such benefits and the selection of them:
- (1) the Trustee may enquire of the Member as to the benefits which the Member wishes to be provided. The Trustee is not bound to follow the Member's wishes but may do so without enquiry and without being required to take into account the interests of any other person;
  - (2) any pension may be of a fixed annual amount or of an amount which increases periodically by a fixed percentage or on a fixed basis;
  - (3) save where (in the Trustee's opinion) the child is, by reason of physical or mental impairment, dependent on the Member when the Member dies, no pension may accrue to a child of the Member after the child has reached age 23;
  - (4) save where the Member continues in Pensionable Service up to NRD, this sub-rule 8.2 takes effect subject to Rule 27 (*Fair value with deferred pension*); and
  - (5) generally, the benefits payable, and the terms and conditions thereof, shall be consistent with the provision of Authorised Benefits.
- (C) Rule 11 (*Securing benefits*) applies.

### 8.3 Employed RP Members: Pension Commencement Lump Sum

The following shall apply to an Employed RP Member (and Rules 8.2 and 35 (AVCs) shall take effect subject to this sub-rule 8.3):

- (A) if and to the extent that benefits under the Retirement Plan, EPP Plan, the Savings Plan and Rule 35 (AVCs) are crystallised for FA 2004 purposes at the same time, such benefits shall be aggregated for the purposes of determining the maximum amount of the Pension Commencement Lump Sum;
- (B) to the extent that the proceeds of the Member's Account and the AVC Fund permit (and subject to sub-paragraph (C)), the Employed RP Member may elect to receive the whole of the Pension Commencement Lump Sum which is to be paid to him from the Member's Account and the AVC Fund;
- (C) the maximum amount of the Pension Commencement Lump Sum which may be paid from the Member's Account and the AVC Fund is the greatest of:
  - (1) £100,000 plus the Cash Revaluation Percentage of that amount (rounded up, if not an exact multiple of £1,000, to the next highest multiple of £1,000);
  - (2) 25% of the proceeds of the Member's Account plus such part (or the whole) of the proceeds of the AVC Fund as the Trustee determines; and
  - (3) such amount as the Principal Company and the Trustee shall determine.

### 8.4 Employed RP Members: Small residual funds

If after the payment of any Pension Commencement Lump Sum from the proceeds of the Member's Account the remaining proceeds of the Member's Account of an Employed RP Member (when aggregated, if any benefits derived from the AVC Fund are to commence at or about the same time

as those derived from the Member's Account, with the AVC residual funds (as defined below)) are less than the greater of:

- (A) £10,000 plus the Cash Revaluation Percentage of that amount (rounded up, if not an exact multiple of £100, to the next highest multiple of £100) and
- (B) such amount as the Principal Company and the Trustee shall determine

then (subject to Rule 30.3(B)(1)(c)) (*Flexible retirement: Future service benefits: Employed RP Members*) the Employed RP Member may elect to have such proceeds applied to secure additional pension under the Retirement Plan without the purchase of an annuity policy. The terms and amount of such additional pension shall be determined by the Trustee on the advice of the Actuary by applying the Scheme's technical provisions (within the meaning of s.222(2), PA 2004 (*The statutory funding objective*)) with any necessary changes or by applying such other basis as the Trustee and the Principal Company may agree. For this purpose "AVC residual funds" means the proceeds of that part (or the whole) of the AVC Fund which after the payment thereout of any Pension Commencement Lump Sum is to be applied to provide benefits to commence at or about the same time as those derived from the Member's Account.

## 9. Death in Service

### 9.1 Amount of death benefits

- (A) **Lump sum and dependants' benefits** - Subject to Rules 25 (*Pension salary sacrifice*), 30.3(B)(2) (*Flexible retirement: Future service benefits: Employed RP Members*), 31 (*Employed RP Members: Separate treatment of Retirement Plan and EP/S Plan benefits*), 32 (*Opting-out*), 33 (*Broken Service*) and 43.11 (*Limitation on death benefits*), where a Member (other than an Employed RP Member) dies while in Pensionable Service and is:
  - (1) **an EPP Member**, a lump sum shall be payable equal to the sum of:
    - (a) an amount equal to the proceeds of the Member's Account; plus
    - (b) provided that the Member dies on or after the first anniversary of the first day of Service, three times (unless the Member is a Former Stanley Employee in which case four times) Life Assurance Pay;
  - (2) **a Provisional Member**, a lump sum shall be payable equal to the sum of:
    - (a) an amount equal to the proceeds of the Member's Account; plus
    - (b) provided that the Member dies on or after the first anniversary of the first day of Service, three times (unless the Member is a Former Stanley Employee in which case four times) Life Assurance Pay;
  - (3) **a Saver (other than a Provisional Member)**:
    - (a) a lump sum shall be payable equal to the sum of:
      - (i) the proceeds of the Member's Accounts; plus
      - (ii) three times (unless the Member is a Director of the Principal Company or of William Hill PLC or, at the Principal Company's discretion, WHG (International) Limited or is classified by the Employer for employment purposes as an Executive Director, or a Senior Executive, in which case four times) Life Assurance Pay; and

- (b) if when the Member dies the Member is shown, to the satisfaction of the Trustee, to be living with his Spouse, or the Trustee so determines, an amount equal to the lump sum payable under sub-paragraph (a)(ii) shall be applied to provide such one or more of the following benefits as the Trustee selects:
- (i) a pension or pensions to such one or more of the persons (if any) who are shown, to the Trustee's satisfaction, to be Death Beneficiaries of the Member as the Trustee determines;
  - (ii) a lump sum or additional lump sum or any other Authorised Benefits;

and, in relation to such benefits and the selection of them, sub-rule 9.2 shall apply.

Any lump sum payable under this sub-rule 9.1 shall be paid in accordance with Rule 42 (*Disposal of lump sum death benefits*).

- (B) **Flexible benefits** - If the Member is for the time being participating in a flexible benefits arrangement provided by the Employer which extends to the benefits payable under this sub-rule 9.1, then the foregoing provisions of this sub-rule 9.1 shall apply as if:

- (1) the amount referred to in paragraph (A)(1)(b), (A)(2)(b) or, as applicable, paragraph (A)(3) (other than paragraph (A)(3)(a)(i)), is such multiple of Life Assurance Pay as the Member from time to time elects and the Employer agrees (all in accordance with the terms of that flexible benefits arrangement) and where because the Member has completed less than 12 months' Service or is a Provisional Member paragraph (A)(1)(b) or (A)(2)(b), as applicable, does not apply in relation to the Member, this paragraph (B) shall apply as if that paragraph did apply in relation to him;
- (2) where paragraph (A)(3) applies in relation to the Member, the Trustee has discretion as to whether the whole, or, if not the whole, the portion, of that aggregate amount is applied in accordance with paragraph (A)(3)(a) with the remainder (if any) being applied in accordance with paragraph (A)(3)(b) and where the Member is not when he dies living with his Spouse the Trustee has nevertheless determined that paragraph (A)(3) is to apply to him;

except that:

- (a) the multiple of Life Assurance Pay must be a whole number and must not be less than three nor more than eight (subject to sub-rule 9.1(C)); and
- (b) no change in the multiple shall take effect unless and until the Employer has notified the Trustee of the change and if the multiple is being increased, the risk for the increased amount payable has been insured with an Insurer on terms acceptable to the Trustee.

- (C) **Maximum Life Assurance Amount** - Notwithstanding anything in this sub-rule 9.1 to the contrary, the aggregate amount arising under that sub-rule in relation to a Member (other than any amount representing the proceeds, or part thereof, of the Member's Account) must not exceed the Maximum Life Assurance Amount.

## 9.2 Selection of benefits

In relation to the benefits to be provided under sub-rule 9.1(A)(3)(b) and the selection of those benefits:

- (A) the Trustee may act on and give effect to any wishes of the Member as are made known to the Trustee without enquiry and without being required to take into account the interests of any other person;
- (B) any pension may be of a fixed annual amount or of an amount which increases periodically by a fixed percentage or on a fixed basis;
- (C) save where (in the Trustee's opinion) the child was, by reason of mental or physical impairment, dependent on the Member when the Member dies, no pension may accrue to a child of the Member after the child has reached age 23;
- (D) generally, the benefits payable, and the terms and conditions thereof, shall be consistent with the provision of Authorised Benefits; and
- (E) Rule 11 (*Securing benefits*) applies.

## 10. Leaving Service

### 10.1 Termination of Pensionable Service

Where a Member ceases to be in Pensionable Service for any reason other than death and benefits do not immediately become payable pursuant to Rule 8 (*Benefits on retirement from Service*):

- (A) **Vested benefits** - if the Member has satisfied the Qualifying Conditions, benefits shall, subject as otherwise provided in this Rule 10, be provided in accordance with Rule 8.2 (*Benefits on retirement from Service: Selection of benefits*) from the later of NRD and the day next following the last day of Service but not later than the day before the Member reaches age 75 (but see paragraph (C)).
- (B) **Transfer payment/Contribution refund** - if benefits are not to be provided pursuant to paragraph (A):
  - (1) subject to sub-paragraph (2) and Rule 25.2(D) (*Pension Salary Sacrifice: Effect*), the Member's Account shall be realised and that part of the proceeds which the Trustee determines to be attributable to the contributions paid by the Member shall be paid to him subject to Rule 45.1 (*Trustee may deduct tax*) provided that if the Member entered Pensionable Service after the Third Revision Date and the three-month condition (see below) has not been satisfied the Member claims and accepts the payment before the first anniversary of the date upon which he ceased to be in Pensionable Service;
  - (2) if the three-month condition has been met, the Member may elect for a cash transfer sum in accordance with and subject to Chapter 2, Part 4ZA, PSA (*Early Leavers: Cash Transfer Sums and Contribution Refunds*).

In this paragraph (B) the terms "three-month condition" and "cash transfer sum" have the same meanings as in that Chapter.

- (C) **Compulsory transfer-out** – subject to the conditions in Rule 39 (*Compulsory annuity policies*), with which the Trustee shall insofar as it is able to comply, the Trustee must (unless in any particular case the Trustee otherwise decides) purchase in accordance with that Rule for a Member to whom paragraph (A) applies a policy if:

- (1) the Member joins the Scheme (other than as a Life Assurance Member) on or after 1 October 2008; and
- (2) the Member satisfies the Qualifying Conditions but the total of his Pensionable Service and his linked qualifying service (within the meaning of s.179, PSA) is less than five years.

Time is not of the essence for the purchase of such policy and so the Trustee may defer the purchase of the same without limitation as to time. Until such purchase is completed, the Rules shall apply as if the foregoing provisions of this paragraph (C) did not apply to the Member.

## 10.2 Alternative retirement dates

- (A) A Member may elect for benefits to be payable from a date, (the "Start Date"), other than as provided in sub-rule 10.1 provided that:
- (1) at the Start Date the Member has reached age 55 or, in the Trustee's opinion, the Ill-health Condition is met;
  - (2) subject to Rule 30 (*Flexible retirement*), the Start Date does not occur while the Member is in Service;
  - (3) if the Start Date is before the Member's 60<sup>th</sup> birthday, it is approved by the Employer and the Trustee;
  - (4) if the Start Date is after NRD, it is agreed between the Member and the Trustee but it may not be after the day before the Member's 75<sup>th</sup> birthday.
- (B) To exercise the option under this sub-rule 10.2, a Member must give not less than one month's nor more than six months' prior notice in writing to the Trustee (or such shorter notice as the Trustee accepts).

## 10.3 Death after leaving Service but before retirement

- (A) If a Member to whom sub-rule 10.1(A) applies dies before benefits become payable pursuant to that sub-rule or sub-rule 10.2, those benefits shall cease to be payable and instead the Trustee shall apply the proceeds of the Member's Account to provide such of the following benefits as the Trustee selects:
- (1) a lump sum which shall be payable in accordance with Rule 42 (*Disposal of lump sum death benefits*);
  - (2) a pension or pensions to such one or more of the persons (if any) of the Death Beneficiaries of the Member whom the Trustee selects;
  - (3) any other Authorised Benefits.
- (B) In relation to such benefits, and the selection of them:
- (1) the Trustee may act on and give effect to any wishes of the Member as are made known to the Trustee without enquiry and without being required to take into account the interests of any other person;
  - (2) any pension may be of a fixed annual amount or of an amount which increases periodically by a fixed percentage or on a fixed basis;

- (3) unless (in the Trustee's opinion) a child of the Member is, by reason of mental or physical impairment, dependent on the Member when the Member dies, no pension may accrue to the child after the child has reached age 23;
- (4) generally, the benefits payable, and the terms and conditions thereof, shall be consistent with the provision of Authorised Benefits.

## 11. **Securing benefits**

### 11.1 **Purchase of annuity policy**

- (A) When a Member retires (or dies if earlier) and subject to paragraph (B), the Trustee may secure the benefits payable under the EP/S Plan in respect of the Member by the purchase of a policy from an Insurer. If the Trustee decides to do so, the Trustee shall similarly secure all other benefits payable under the Scheme in respect of the Member. Nothing, however, in this sub-rule 11.1 applies to any lump sum payable on retirement or in accordance with Rule 42 (*Disposal of lump sum death benefits*) or in relation to an Employed RP Member any benefits payable under the Retirement Plan other than any benefits under Rule 35 (*AVCs*).
- (B) A pension or annuity payable to a Death Beneficiary who is not a Dependant must be secured by the purchase of a policy.
- (C) Before the Trustee purchases a policy the Trustee must give the Member, or if the Member has died any Death Beneficiary for whom a pension is to be provided, the opportunity (at the Member's or Death Beneficiary's, as applicable, own expense) to select the Insurer from whom the policy is to be purchased. If before the Trustee has contracted to purchase a policy from an Insurer which the Trustee has selected, the Trustee receives written notification of the Insurer selected by the Member or the Death Beneficiary, as the case may be, the Trustee shall purchase the policy from that Insurer.
- (D) The Trustee may purchase the policy in its own name or in the name of the beneficiary or in the name of trustees for the beneficiary's benefit. A policy which is not purchased in the name of the Trustee must be non-assignable and non-commutable.
- (E) Where the policy is purchased in the name of the beneficiary concerned or in the name of trustees (other than the Trustee) for his benefit (and subject to the payment of any lump sum payable on retirement or in accordance with Rule 42 (*Disposal of lump sum death benefits*)), benefits shall cease to be payable under the Scheme to or in respect of the Member. The Trustee shall not be under any liability as to the payment or application of the benefits under such policy.

### 11.2 **Provision of benefits from the Scheme**

- (A) Where the benefits to be provided pursuant to the EP/S Plan are not to be secured by the purchase of a policy, the Trustee, after consulting the Actuary, shall decide the amount of the benefits to be provided with the available funds.
- (B) The Trustee may not pursuant to this sub-rule 11.2 provide a drawdown pension, a dependants' drawdown pension or nominees' drawdown pension (within the meaning of paragraphs 4, 18 and 27B, schedule 28, FA 2004).

### 11.3 **Transfer-out**

Instead of providing benefits under the foregoing provisions of this Rule 11, the Trustee may make a transfer in accordance with Rule 37.2 (*Individual transfers-out: Discretionary transfers-out*).

### PART 3: WILLIAM HILL RETIREMENT PLAN

#### 12. Introduction

##### 12.1 Application

This part 3 of the Rules (*William Hill Retirement Plan*) applies only to or in relation to RP Members.

##### 12.2 GMP and PR Underpin

The benefits payable under this part 3 are inclusive of the benefits (if any) payable under the GMP Rules and the benefits (if any) payable under the PR Underpin. This sub-rule 12.2 takes effect subject to Rule 22 (*GMP Protection Rule*) and Chapter III, Part IV, PSA (*Protection of increases in GMPs ("Anti-Franking")*).

##### 12.3 Benefits always to exceed underpin

If in any case the Post-April 1997 Scale Benefits would not (apart from this sub-rule 12.3) exceed the Underpin Benefits they shall be increased by such amount as the Trustee, with the Principal Company's consent, determines but not by less than that which is necessary to ensure that they do exceed the Underpin Benefits, where:

- (A) "**Post-April 1997 Scale Benefits**" means the benefits which (apart from this sub-rule 12.3, the PR Underpin and Rule 35 (*AVCs*)) would be payable under the Retirement Plan to or in respect of the Member concerned in respect of employment on or after the First Revision Date; and
- (B) "**Underpin Benefits**" means the money purchase benefits payable to or in respect of the Member concerned pursuant to the PR Underpin.

##### 12.4 Other Scheme benefits

The benefits payable under this part 3 (*William Hill Retirement Plan*) are exclusive of the benefits (if any) payable under part 2 of the Rules (*Employee Pensions and Savings Plan*) or Rule 35 (*AVCs*).

#### 13. Membership of the Retirement Plan

##### 13.1 Closed to new entrants

Notwithstanding any contrary provision in the Trust Deed or the Rules but subject to Rule 59 (*Amendments*), no Employees may be RP Members other than those Employees who became RP Members before 1 December 2006.

##### 13.2 Special terms

Where prior to 1 December 2006 a Member was included in the Retirement Plan on special terms (and unless and to the extent that the Principal Company with the Trustee's consent otherwise agrees in writing with the Member) those terms shall continue to apply but only in relation to Service up to (but excluding) the Fourth Revision Date and the benefits payable for such Service.

##### 13.3 Incorrect information

If any information supplied to the Trustee by or on behalf of an RP Member (whether on, before or after becoming a Member) is incorrect, then, despite any contrary Rule but subject to the Overriding Requirements, the benefits payable to or in respect of the RP Member shall be such as the Trustee, after consulting the Actuary, considers appropriate having regard to the extent of the variance between the mis-statement and the true facts. Where the RP Member became a Member before 5

September 2000 the benefits payable shall not be less than those which would have been payable under the Rules in force prior to that date if, in the case of an RP Member in Service on that date, he had left Service immediately prior to that date.

14. **Retirement at NRD**

Subject to Rule 17 (*Late retirement*), an RP Member who remains in Pensionable Service to NRD shall be entitled from that date to an immediate pension equal to the Formula Pension.

15. **Incapacity pension**

15.1 **Entitlement**

(A) Where:

- (1) an RP Member who is for the time being in Pensionable Service before NRD applies to the Trustee to retire under this sub-rule 15.1 or Rule 43.4 (*Payment of benefits generally: Mental incapacity*) applies,
- (2) the RP Member is not for the time being entitled to an income pursuant to any group income protection (or permanent health) arrangement maintained by the Employer (the "GIPA") of an amount not less than the Formula Pension, and
- (3) both the Employer and the Trustee are satisfied that the Ill-health Condition is met and consent to a pension being paid to him under this Rule 15,

the RP Member shall, on ceasing to be in Service, be entitled to an immediate pension equal to the Formula Pension (subject to paragraph (B)).

- (B) The amount of such pension may be increased by the Employer with the Trustee's consent if, but only if, the RP Member is absent from work with the Employer due to ill-health or injury on the Fourth Revision Date and either without returning to work with the Employer retires under this sub-rule 15.1 or although the RP Member returns to work with the Employer he does not become covered by the GIPA.
- (C) This sub-rule 15.1 takes effect subject as otherwise provided in this Rule 15 and to Rule 27 (*Fair value with deferred pension*).

15.2 **Recovery**

- (A) Subject as otherwise provided in this sub-rule 15.2, the Trustee may reduce, suspend or terminate any pension to which an RP Member is entitled under sub-rule 15.1 if:
  - (1) in the Trustee's opinion, the health of the RP Member has improved, or
  - (2) the RP Member fails to produce such medical evidence or to undergo such medical examination as the Trustee from time to time requests.
- (B) Notwithstanding the foregoing:
  - (1) the RP Member shall be entitled as from NRD (or as from the date of such reduction, suspension or termination if later) to a pension of not less than the smaller of:
    - (a) the pension to which the RP Member would have been entitled under sub-rule 15.1 had his pension under that Rule not ceased to be payable in accordance with this sub-rule 15.2; and

- (b) the pension to which the RP Member would have been entitled (if the date of such reduction, suspension or termination is before NRD) as from NRD under Rule 21.1 (*Leaving Service: Deferred pension*) or (if such date was after NRD) as from that date under Rule 21.3 (*Leaving Service: Late retirement*) reduced (in either case) as the Trustee determines to take account of the benefits paid under this Rule 15 or Rule 18 (*Retirement options*);
- (2) the Trustee shall determine the benefits payable on or after the Member's death but such benefits may not be more than those which would have been payable had this sub-rule 15.2 not applied to the RP Member.
- (C) Nothing in this sub-rule 15.2 imposes any obligation on the Trustee to enquire as to the RP Member's state of health or to seek medical evidence but the Trustee may do so from time to time.

16. **Early retirement from Service**

- (A) An RP Member who is for the time being in Pensionable Service and who has reached age 55 but not NRD may apply to the Trustee to retire under this Rule 16. If the Employer consents to a pension being paid under this Rule 16 and Rule 15 (*Incapacity pension*) does not apply, the RP Member shall, on ceasing to be in Service, be entitled to an immediate pension equal to:
  - (1) if the RP Member continues in Service up to (and including) his 60<sup>th</sup> birthday, the Formula Pension; and
  - (2) in any other case, the Formula Pension reduced by such amount as the Trustee, after consulting the Actuary, determines and the Principal Company approves.
- (B) Despite anything in this Rule 16 to the contrary:
  - (1) the Trustee may make such reduction, or, as applicable, such further reduction, to the pension otherwise payable under this Rule 16 as the Trustee determines with the intent that the capital value, at the date of retirement, of the pension after such reduction payable, or contingently payable, to or in respect of the RP Member under the Retirement Plan (including the GMP Rules and the PR Underpin) is the same as the pension which would have been so payable had such reduction, or, as the case may be, further reduction, not been made and neither the GMP Rules nor the PR Underpin applied;
  - (2) this Rule 16 takes effect subject to Rule 27 (*Fair value with deferred pension*); and
  - (3) if the 60<sup>th</sup> anniversary of the RP Member's birth occurs on or before the last day of Service and the RP Member ceases to be in Service by reason of redundancy (voluntary or compulsory) or, in the opinion of the Trustee, for any reason in connection with or in contemplation of any programme of rationalisation, re-organisation or the like, the Employer shall be deemed to have given its consent to a pension being paid to a Member under this Rule 16.

17. **Late retirement**

- (A) If an RP Member remains in Service on or after NRD and subject to Rules 30 (*Flexible retirement*) and 32 (*Opting-out*), the RP Member shall continue in Pensionable Service and the commencement of his pension shall be deferred until the RP Member ceases to be in Service; except that if the RP Member continues in employment with the Employer on or after reaching age 75, the RP Member shall be deemed for all and any of the purposes of the Scheme to have left Service on the day before his 75<sup>th</sup> birthday.

- (B) When his pension commences to be paid, the RP Member shall be entitled to an immediate pension equal to the Formula Pension.
- (C) Despite anything in this Rule 17 to the contrary:
  - (1) the commencement of the pension of an RP Member payable under the GMP Rules may not be deferred beyond his 65<sup>th</sup> birthday without the RP Member's consent;
  - (2) if benefits commence to be paid under the GMP Rules before the remainder of the RP Member's pension, the pension otherwise payable under this Rule 17 shall be subject to such adjustment as the Trustee, after consulting the Actuary, determines;
  - (3) if the RP Member reached NRD before 1 December 2006 and ceased under the provisions of this Rule 17 in force immediately prior to that date to be in Pensionable Service, the RP Member shall be regarded as having terminated his Pensionable Service under Rule 32 (*Opting-out*) when he ceased to be in Pensionable Service and benefits shall be payable accordingly.

## 18. Retirement options

### 18.1 Lump sum

- (A) On the pension of an RP Member becoming payable under the Rules, but subject to Rules 18.4, 18.5 and 45.5 (*Tax: Lifetime Allowance Excess Lump Sum*), the RP Member may exchange part of his pension for a lump sum of up to the maximum amount which, when aggregated with any other lump sum payable under the Scheme, may be paid as a Pension Commencement Lump Sum. In working out that maximum, paragraph 31, schedule 36, FA 2004 (*Entitlement to lump sums exceeding 25% of uncrystallised rights*) shall be disregarded unless, and to the extent that, the Trustee otherwise determines.
- (B) The Trustee, after consulting the Actuary, shall decide the rate at which pension is converted into a lump sum and, in doing so, may assume that the RP Member is in good health.

### 18.2 Dependant's pension

An RP Member may give up part of his pension to provide from his death a pension for a Dependant nominated by the RP Member when exercising this option (subject to sub-rules 18.4 and 18.5). The RP Member may give up pension in favour of more than one Dependant if the Trustee agrees. The Trustee, after consulting the Actuary, shall decide the rate and terms of each Dependant's pension. In any event the following conditions shall apply:

- (A) any exercise of the option under this sub-rule 18.2 may not be revoked except as provided in sub-paragraph (B) or (C) below or with the Trustee's consent;
- (B) if any person nominated as a Dependant ceases to be a Dependant before the date with effect from which the RP Member's pension commences, the exercise of the option in favour of that Dependant is cancelled automatically but any change in the circumstances of the Dependant or in his relationship with the RP Member on or after that date shall be disregarded;
- (C) if the RP Member or a nominated Dependant dies before the date with effect from which the RP Member's pension commences, the exercise of the option in favour of that Dependant is cancelled automatically but if the nominated Dependant dies on or after that date, the RP Member's pension shall continue at the reduced rate;
- (D) the RP Member may not give up so much pension as to produce a pension or pensions for the nominated Dependant or Dependents under this sub-rule 18.2 of an amount, or, if more

than one, of an aggregate amount, which exceeds the reduced amount of the RP Member's pension (before any exercise of the options under sub-rules 18.1 and 18.3).

### 18.3 Level income option

- (A) Where an RP Member who retires under the Retirement Plan before State Pension Age is prospectively entitled to a pension from the state, the RP Member may, with the Trustee's consent, and subject to paragraph (C) and to sub-rules 18.4 and 18.5, choose to take a varied pension which will entitle him from the Retirement Plan to an increased pension until State Pension Age (or the maximum age permitted under paragraph 2(4)(c), schedule 28, FA 2004 (*Scheme pension*), whichever is the lower), and thereafter to a reduced pension. The respective amounts of the increased pension and the reduced pension shall be determined by the Actuary but the difference between the increased and reduced pensions must not exceed the relevant state retirement pension rate (within the meaning of paragraph 2(5), schedule 28, FA 2004 (*Scheme pension*)).
- (B) Save for any lump sum payable under Rule 20(F) (*Death after retirement: 5-year guarantee*), any exercise of the option under this sub-rule 18.3 shall not (despite any contrary Rule) affect the benefits arising on the death of the RP Member, which shall be computed as if this option had not been exercised. The lump sum (if any) payable under Rule 20(F) (*Death after retirement: 5-year guarantee*) shall be computed with reference to the pension instalments payable after the exercise of this option.
- (C) Where a Member exercises the option under this sub-rule 18.3 on or after the date this edition of the Rules is adopted, any change in the Member's State Pension Age after the option is exercised shall be disregarded unless such change was anticipated by the Actuary when determining the respective amounts of the increased and reduced pensions in accordance with paragraph (A).

### 18.4 GMP Restriction

This Rule 18 takes effect subject to Rule 45.7 (*FA 2004: Restriction on retirement options*). Moreover the options under this Rule 18 may not be exercised to such an extent that their exercise would result in the pension which (apart from the GMP Rules) is payable after the exercise of such options in respect of employment before the First Revision Date being less after State Pension Age than the GMP (within the meaning of the GMP Rules) under the GMP Rules.

### 18.5 Exercise of options

To exercise any option under this Rule 18, an RP Member must notify the Trustee in writing before the first instalment of his pension is paid but not before such date as the Trustee specifies.

## 19. Death in Service

### 19.1 RP Members in Pensionable Service

Subject as otherwise provided in this Rule 19 and to Rules 23 (*Dependant's pension exchanged for a lump sum*), 28 (*Part-time employees*), 30 (*Flexible retirement*), 31 (*Employed RP Member: Separate treatment of Retirement Plan and EP/S Plan benefits*), 32 (*Opting-out*), 33 (*Broken Service*) and 43.11 (*Limitation on death benefits*), if an RP Member dies while in Pensionable Service:

- (A) **Lump sum** – a lump sum shall be payable, in accordance with Rule 42 (*Disposal of lump sum death benefits*), equal to:
- (1) unless sub-paragraph (2) applies, the lesser of:

- (a) three times (four times if the RP Member is a Senior Member or a Board Member) Life Assurance Pay; and
  - (b) the Maximum Life Assurance Amount;
- (2) if the RP Member is for the time being participating in a flexible benefits arrangement provided by the Employer which extends to the lump sum payable under this paragraph (A), such multiple of Life Assurance Pay as the RP Member from time to time elects and the Employer agrees (all in accordance with the terms of that flexible benefits arrangement) except that:
- (a) subject to (b) below, the multiple must be a whole number of not less than three nor more than eight;
  - (b) the amount of the lump sum may not exceed the Maximum Life Assurance Amount; and
  - (c) no change in the multiple of Life Assurance Pay shall take effect unless and until (i) the Employer has notified the Trustee of the change and (ii) if the multiple is being increased, the risk for the increased amount of the lump sum payable has been insured with an Insurer on terms acceptable to the Trustee.

**(B) Qualifying Spouse's pension**

- (1) If the RP Member is survived by a Qualifying Spouse (and subject as otherwise provided in this Rule 19), a pension shall be payable to the Qualifying Spouse equal to the Prospective Pension (as defined below) multiplied by:
- (a) if the RP Member is a Senior Member or a Board Member, two-thirds;
  - (b) in any other case, one-half.
- (2) In this Rule 19 "Prospective Pension" means:
- (a) in relation to an RP Member who dies before NRD, an annual pension of the same amount as the Formula Pension would have been at NRD had the RP Member remained in Pensionable Service until NRD but calculated with reference to Final Pensionable Pay at the date of death;
  - (b) in relation to an RP Member who dies on or after NRD, the Formula Pension;
- (3) If it is shown to the satisfaction of the Trustee that (as well as being survived by a Qualifying Spouse) the RP Member is also survived by one or more other Dependants, the Trustee may grant a pension or pensions to such one or more of those Dependants as the Trustee selects. Each such pension shall be payable at such rate and for such period as the Trustee determines. The total pension so granted may not, however, exceed the excess of the pension which could have been payable to the Qualifying Spouse over the total pension payable to the Qualifying Spouse under the GMP Rules and the PR Underpin. The pension which (apart from this sub-paragraph) would have been payable to the Qualifying Spouse under sub-paragraph (1) shall be reduced by the pension, or, if more than one, the aggregate pension, granted under this sub-paragraph (3). The termination of any pension shall not affect the amount of any other pension.

**(C) GMP/PR Underpin** - if the RP Member is not survived by a Qualifying Spouse but is, nevertheless, survived by a Spouse:

- (1) the GMP (if any) shall be payable under the GMP Rules; and

- (2) benefits shall be payable under the PR Underpin. Where such benefits are paid as a lump sum, the lump sum otherwise payable under paragraph (A) shall be reduced by the amount of that lump sum which shall be payable in addition.

- (D) **Dependant's pension** - if the RP Member is not survived by a Qualifying Spouse, the Trustee may pay a pension to any Dependant of the RP Member chosen by the Trustee. The Trustee may pay pensions to more than one Dependant. Each such pension shall be payable on such terms and for such period as the Trustee decides. The total pension so payable must not, however, exceed the excess of the pension which could have been paid to a Qualifying Spouse had the RP Member been survived by one over any pension payable under the GMP Rules and the PR Underpin to a Spouse who is not a Qualifying Spouse.

Where the RP Member is not survived by a Spouse, the maximum pension otherwise payable under this paragraph (D) shall be reduced by such amount as the Trustee, on the advice of the Actuary, determines with the intent that the capital value of such pension, when aggregated with the Excess (if any), is equal to the capital value of the maximum pension which would have been payable but for such reduction. For this purpose the "Excess" means the amount (if any) by which the lump sum payable under the PR Underpin exceeds the lump sum payable under paragraph (A).

- (E) **Children's pensions** - if the RP Member is survived by Eligible Children:
- (1) an allowance shall be payable to the Eligible Children for the time being;
  - (2) the amount of the allowance at any time shall be one-eighth of the Prospective Pension (as defined above) for each of the Eligible Children for the time being, subject to a maximum of four children to count at any time and to (3) below;
  - (3) where the RP Member is a Senior Member or a Board Member:
    - (a) subject to (b) below, the amount of the allowance shall be doubled at any time no pension is for the time being payable under paragraph (B), (C) or (D);
    - (b) the aggregate amount of the allowance for the Eligible Children shall not (when added to the other pensions payable under this sub-rule 19.1) exceed the greater of (i) 100% of the Prospective Pension and (ii) the maximum which could have been paid had the Previous Revenue Limits continued to apply without alteration and the RP Member died on 6 April 2006;
  - (4) the allowance shall be allocated among the Eligible Children in equal shares; and
  - (5) a child who ceases to be an Eligible Child shall not again become one unless the Trustee otherwise decides.
- (F) **Member's Account** – the Member's Account of the RP Member shall be extinguished and the proceeds thereof shall be added to the general assets of the Scheme but, for the avoidance of doubt, benefits shall continue to be payable under Rule 35 (AVCs).

## 19.2 Members in Service but not Pensionable Service

If a Member dies while in Service but not Pensionable Service, benefits shall be payable as if the Member had left Service immediately prior to the Member's death without exercising any option under the Scheme. This sub-rule 19.2 takes effect subject to Rules 30 (*Flexible retirement*), 32 (*Opting-out*) and 33 (*Broken Service*).

20. **Death after retirement**

Subject to Rules 15.2 (*Incapacity pension: Recovery*) and 23 (*Dependant's pension exchanged for lump sum*), 30 (*Flexible retirement*) and 46 (*Previous Revenue Limits*), if an RP Member dies after the date with effect from which his pension under the Retirement Plan commences:

(A) **Incapacity pensioners: life assurance** – where (i) the RP Member retired under Rule 15.1 (*Incapacity pension: Entitlement*), (ii) unless the Employer and the Trustee otherwise determine the whole of his pension has not been commuted pursuant to Rule 41.4 (*Ill-health commutation*) and (iii) the RP Member dies before his 65<sup>th</sup> birthday, then, subject to Rule 43.11 (*Limitation on death benefits*), a lump sum shall be payable equal to:

- (1) if the RP Member retired in the circumstances that in the opinion of the Trustee and the Employer the RP Member was unable to continue in any employment whatsoever and in all probability would be unable to work again, the same amount as would have been payable under Rule 19.1(A) (*Death in Service: RP Members in Pensionable Service: Lump sum*) had he died on the last day of his Pensionable Service;
- (2) in any other case but only if the Employer and the Trustee determine that a lump sum shall be payable under this paragraph (A) in respect of the RP Member, such amount as the Trustee and the Employer determine but not exceeding the amount referred to at (1) above (such determinations may be made at or at any time after the RP Member's retirement).

Such lump sum shall be payable in accordance with Rule 42 (*Disposal of lump sum death benefits*).

(B) **Qualifying Spouse's pension**

- (1) If the RP Member is survived by a Qualifying Spouse (and subject as otherwise provided in this Rule 20), a pension shall be payable to the Qualifying Spouse equal to the Basic Pension multiplied by:
  - (a) if the RP Member is a Senior Member or a Board Member, two-thirds;
  - (b) in any other case, one-half.
- (2) In this Rule 20 "**Basic Pension**" means the pension to which the RP Member was entitled under Rule 14 (*Retirement at NRD*), 15 (*Incapacity pension*), 16 (*Early retirement from Service*), 17 (*Late retirement*) or, as the case may be, 21 (*Leaving Service*) on retirement before:
  - (a) any exercise of the options under Rule 18 (*Retirement options*); and
  - (b) any commutation under Rules 41.4 (*Ill-health commutation*) or 41.5 (*Commutation of small pensions*).
- (3) If it is shown to the satisfaction of the Trustee that (as well as being survived by a Qualifying Spouse) the RP Member is also survived by one or more other Dependants, the Trustee may grant a pension or pensions to such one or more of those Dependants as the Trustee selects. Each such pension shall be payable at such rate and for such period as the Trustee determines. The total pension so granted may not, however, exceed the excess of the pension which could have been payable to the Qualifying Spouse over the pension payable to the Qualifying Spouse under the GMP Rules and the PR Underpin. The pension which (apart from this subparagraph (3)) would have been payable to the Qualifying Spouse under subparagraph (1) shall be reduced by the pension, or, if more than one, the aggregate

pension, granted under this sub-paragraph. The termination of any pension shall not affect the amount of any other pension.

- (C) **GMP/PRs pension** - if the RP Member is not survived by a Qualifying Spouse but is survived by a Spouse:
- (1) the GMP (if any) shall be payable under the GMP Rules, and
  - (2) benefits shall be payable under the PR Underpin. Where such benefits are paid as a lump sum, the aggregate of lump sums (if any) otherwise payable under paragraphs (A) and (F) shall be reduced by the amount of that lump sum. The lump sum payable under the PR Underpin shall be paid in addition.
- (D) **Dependant's pension** - if the RP Member is not survived by a Qualifying Spouse, the Trustee may pay a pension to any Dependant of the RP Member chosen by the Trustee. The Trustee may pay pensions to more than one Dependant. Each such pension shall be payable on such terms and for such period as the Trustee decides. The total pension so payable must not, however, exceed the excess of the pension which could have been paid to a Qualifying Spouse had the RP Member been survived by one over any pension payable under the GMP Rules and the PR Underpin to any Spouse of the RP Member who is not a Qualifying Spouse.

Where the RP Member is not survived by a Spouse, the maximum pension otherwise payable under this paragraph (D) shall be reduced by such amount as the Trustee, on the advice of the Actuary, determines with the intent that the capital value of such pension, when aggregated with the Excess (if any), is equal to the capital value of the maximum pension which would have been payable but for such reduction. For this purpose the "Excess" means the amount (if any) by which the lump sum payable under the PR Underpin exceeds the lump sum (if any) payable under paragraph (A).

- (E) **Children's pension** - if the RP Member is survived by Eligible Children:
- (1) an allowance shall be payable to the Eligible Children for the time being;
  - (2) the amount of the allowance at any time shall be one-eighth of the Basic Pension (as defined above) for each of the Eligible Children for the time being, subject to a maximum of four children to count at any time and (if the Member is a Senior Member or a Board Member) subject to Rule 46 (*Previous Revenue Limits*);
  - (3) if the RP Member is a Senior Member or a Board Member and no pension is for the time being payable pursuant to paragraph (B), (C) or (D), the amount of the allowance shall be doubled;
  - (4) the allowance shall be allocated among the Eligible Children in equal shares; and
  - (5) a child who ceases to be an Eligible Child shall not again become one unless the Trustee otherwise decides.
- (F) **5-year guarantee (applicable only if no survivor's pension payable)** - if:
- (1) an RP Member dies within the period of 5 years commencing on the date with effect from which his pension commences to be paid, (the "5-year guarantee period"), and before reaching age 75, and
  - (2) no benefits are payable under paragraph (B), (D) or (E),
- there shall be payable, in accordance with Rule 42 (*Disposal of lump sum death benefits*):

- (i) the 5-year guarantee payment (as defined below) or the amount which the Trustee believes (on the basis of the information in its possession) to be the available amount of the Member's Lifetime Allowance, whichever is the lesser amount; plus
- (ii) the balance (if any) of the 5-year guarantee payment or the maximum amount which may be paid as a pension protection lump sum death benefit (within the meaning of paragraph 14, schedule 29, FA 2004 (Pension protection lump sum death benefit)), whichever is the lesser amount; plus
- (iii) a lump sum equal to the excess (if any) of the 5-year guarantee payment over the aggregate of the lump sums referred to at (i) and (ii) above.

For this purpose the "5-year guarantee payment" means the aggregate amount of pension which would have been payable to the RP Member under Rule 14 (*Retirement at NRD*), 15 (*Incapacity pension*), 16 (*Early retirement from Service*), 17 (*Late retirement*) or, as the case may be, 21 (*Leaving Service*) after the last instalment of pension paid to him (or his estate) during the remainder of that 5-year guarantee period had he survived and had his pension continued (without any increase) at the rate in force immediately prior to his death.

## 21. Leaving Service

### 21.1 **Deferred pension**

If an RP Member leaves Service before NRD (for any reason other than death) and is not otherwise entitled to an immediate pension, the RP Member shall be entitled to a pension payable from NRD equal to the Formula Pension, subject to the Revaluation Requirements.

### 21.2 **Early payment of deferred pension**

- (A) **Option** – An RP Member who left Service entitled to a pension under sub-rule 21.1 may, with the Trustee's consent, retire under the Retirement Plan before NRD but, unless in the Trustee's opinion the Ill-health Condition is met, not before age 55. Before doing so the RP Member must give the Trustee not less than one month's and not more than six months' prior written notice (or such shorter period as the Trustee accepts).
- (B) **Early retirement pension** – On retiring the RP Member shall be entitled to an immediate pension equal to the pension to which the RP Member would otherwise have been entitled under sub-rule 21.1 from NRD but disregarding any increase pursuant to the Revaluation Requirements or otherwise which is referable to any period after the RP Member retires. The pension shall then be reduced by such amount as the Trustee, after consulting the Actuary, determines with the intent that the pension payable after such reduction is the actuarial equivalent of the pension which would be payable under sub-rule 21.1 if the Member were not to retire under this sub-rule 21.2.
- (C) **Restrictions** – Despite anything in this sub-rule 21.2 to the contrary:
  - (1) this sub-rule 21.2 shall take effect subject to Rule 27 (*Fair value with deferred pension*); and
  - (2) the Trustee may make such further reduction to the pension otherwise payable under this sub-rule 21.2 as it determines with the intent that the capital value, at the date of retirement, of the pension after such further reduction payable, or contingently payable, to or in respect of the RP Member under the Rules (including the GMP Rules and the PR Underpin) is the same as the pension which would have been so payable had such further reduction not been made and neither the GMP Rules nor the PR Underpin applied.

### 21.3 Late retirement

An RP Member who left Service entitled to a pension under sub-rule 21.1 may, with the Trustee's consent, defer the commencement of his pension until not later than the day before his 75<sup>th</sup> birthday. When his pension commences to be paid, the RP Member shall be entitled to a pension of the same amount as he was entitled under sub-rule 21.1 at NRD increased as the Trustee, after consulting the Actuary, decides having regard to the period of deferment. This sub-rule 21.3 takes effect subject to Rule 27 (*Fair value with deferred pension*).

### 21.4 Death before retirement and before NRD

Where an RP Member who left Service entitled to a pension under sub-rule 22.1 dies before the pension commences and before NRD and subject to Rules 23 (*Dependant's pension exchanged for a lump sum*) and 46 (*Previous Revenue Limits*):

#### (A) Qualifying Spouse's pension

- (1) If the RP Member is survived by a Qualifying Spouse (and subject as otherwise provided in this sub-rule 21.4), a pension shall be payable to the Qualifying Spouse equal to the Preserved Pension (as defined below) multiplied by:
  - (a) if the RP Member is a Senior Member or a Board Member, two-thirds;
  - (b) in any other case, one-half.
- (2) In this sub-rule 21.4 "Preserved Pension" means the pension to which the RP Member would have been entitled under Rule 21.1 from NRD had he survived but disregarding any increase pursuant to the Revaluation Requirements or otherwise which is referable to any period after the RP Member's death.
- (3) If it is shown to the satisfaction of the Trustee that (as well as being survived by a Qualifying Spouse) the RP Member is also survived by one or more other Dependants, the Trustee may grant a pension or pensions to such one or more of those Dependants as the Trustee selects. Each such pension shall be payable at such rate and for such period as the Trustee determines. The total pension so granted may not, however, exceed the excess of the pension which could have been payable to the Qualifying Spouse over the pension payable under the GMP Rules and the PR Underpin to the Qualifying Spouse. The pension which (apart from this sub-paragraph (3)) would have been payable to the Qualifying Spouse under sub-paragraph (1) shall be reduced by the pension, or, if more than one, the aggregate pension, granted under this sub-paragraph (3). The termination of any pension shall not affect the amount of any other pension.

#### (B) GMP/PR Underpin - if the RP Member is not survived by a Qualifying Spouse but is, nevertheless, survived by a Statutory Spouse:

- (1) the GMP (if any) shall be payable under the GMP Rules; and
- (2) benefits shall be payable under the PR Underpin. Where those benefits are paid as a lump sum, the lump sum otherwise payable under paragraph (E) below shall be reduced by the amount of that lump sum, which shall be paid in addition.

#### (C) Dependant's pension - if the RP Member is not survived by a Qualifying Spouse, the Trustee may pay a pension to any Dependant of the RP Member chosen by the Trustee. The Trustee may pay pensions to more than one Dependant. Each such pension shall be payable on such terms and for such period as the Trustee decides. The total pension so payable must not, however, exceed the excess of the pension which could have been paid to a Qualifying Spouse had the RP Member been survived by one over any pension

payable under the GMP Rules and the PR Underpin to any Spouse of the RP Member who is not a Qualifying Spouse.

Where the RP Member is not survived by a Spouse, the maximum pension otherwise payable under this paragraph (C) shall be reduced by such amount as the Trustee, on the advice of the Actuary, determines with the intent that the capital value of such pension, when aggregated with the lump sum (if any) payable under the PR Underpin, is equal to the capital value of the maximum pension which would have been payable but for such reduction.

(D) **Children's pensions** - if the RP Member is survived by Eligible Children:

- (1) an allowance shall be payable to the Eligible Children for the time being;
- (2) the amount of the allowance at any time shall be one-eighth of the Preserved Pension (as defined above) for each of the Eligible Children for the time being, subject to a maximum of four children to count at any time and (if the Member is a Senior Member or a Board Member) subject to Rule 46 (*Previous Revenue Limits*);
- (3) if the Member is a Senior Member or a Board Member and no pension is for the time being payable pursuant to paragraph (A), (B) or (C), the amount of the allowance shall be doubled;
- (4) the allowance shall be allocated among the Eligible Children in equal shares; and
- (5) a child who ceases to be an Eligible Child shall not again become one unless the Trustee otherwise decides.

(E) **Refund of contributions (applicable only if no survivor's pension payable)** - if no benefits are payable under paragraph (A), (C) or (D), a lump sum equal to the Member's Contributions (without interest) shall be payable in accordance with Rule 42 (*Disposal of lump sum death benefits*).

#### 21.5 **Death before retirement but on or after NRD**

If when an RP Member dies his pension is being deferred under sub-rule 21.3, benefits shall be payable under Rule 20 (*Death after retirement*) as if the RP Member had retired under the Retirement Plan immediately prior to his death.

#### 21.6 **Death after retirement**

If an RP Member dies after retirement, benefits shall be payable as provided in Rule 20 (*Death after retirement*).

### 22. **GMP Protection Rule**

#### 22.1 **Protection**

After State Pension Age (within the meaning of the GMP Rules) or after the RP Member's death if earlier, the pension payable to the RP Member, or, as the case may be, to the Spouse of the RP Member, which (in the Trustee's opinion) is attributable to employment (whether with the Employer or not) before the First Revision Date shall not be less than the GMP (if any) to which the RP Member or such Spouse, as applicable, is entitled under the GMP Rules.

## 22.2 Calculation

For the purposes of this Rule 22:

- (A) no account shall be taken of any pension payable under Rule 35 (*AVCs*);
- (B) any reference to the pension payable to the RP Member is to pension so payable after any exercise of the options under Rule 18 (*Retirement options*); and
- (C) the benefits granted before the Fourth Revision Date in respect of any transfer to the Scheme under Rule 36 (*Transfers-in*) shall be regarded as being attributable to employment on or after the First Revision Date if received on or after that date but otherwise shall be regarded as being attributable to employment before that date.

## 23. Dependant's pension exchanged for a lump sum

### 23.1 Option

Where an RP Member dies before reaching age 75 and leaves a Dependant who is entitled to a pension under the Retirement Plan, the Dependant may elect to surrender all, or part, of that pension (other than any instalments which have already been paid) in exchange for a lump sum but only if:

- (A) invited by the Principal Company to do so;
- (B) the Dependant does so within 18 months from the date of the Member's death; and
- (C) the Trustee consents to the Dependant doing so.

### 23.2 Calculation of lump sum

The amount of the lump sum shall be determined by the Trustee but may not exceed the amount which the Trustee, after consulting the Actuary, determines is the value of the pension, or part thereof, to be surrendered.

### 23.3 GMP restriction

Notwithstanding the foregoing, the Dependant may not surrender any entitlement to a GMP save if, and to the extent, permitted under the GMP Rules but may surrender any rights under the PR Underpin.

**PART 4 : LIFE ONLY SECTION**

24. **Life assurance benefits**

- (A) Subject to Rule 43.11 (*Limitation on death benefits*) and paragraph (B), on the death of a Life Assurance Member a lump sum shall be payable in accordance with Rule 42 (*Disposal of lump sum death benefits*) equal to the lesser of:
- (1) three times (unless the Life Assurance Member is a Former Stanley Employee in which case four times) Life Assurance Pay; and
  - (2) the Maximum Life Assurance Amount;
- (B) If a Life Assurance Member is for the time being participating in a flexible benefits arrangement provided by the Employer which extends to the benefits under this Rule 24:
- (1) there shall be substituted for the multiple referred to in paragraph (A)(1) such higher multiple as the Life Assurance Member elects for the time being and the Employer agrees (all in accordance with the terms of that flexible benefits arrangement);
  - (2) such multiple must be a whole number of not more than eight but shall be limited so that the lump sum payable does not exceed the amount referred to in paragraph (A)(2); and
  - (3) no change in the multiple shall take effect unless and until (i) the Employer has notified the Trustee of the change and (ii) if the multiple is being increased, the risk for the increased amount of the lump sum has been insured with an Insurer on terms acceptable to the Trustee.

## PART 5: GENERAL RULES

25. **Pension salary sacrifice**25.1 **Application**

This Rule 25 applies to and in relation to a Member during and in respect of any period the Member under a salary sacrifice arrangement sacrifices pay from the Employer in return for participating in the Scheme on a non-contributory basis.

25.2 **Effect**

During and in respect of any such period:

- (A) for all and any of the purposes of the Scheme (including in the case of an Employed RP Member the calculation of benefits under the Retirement Plan), the basic salary and other earnings of the Member shall be deemed to be such amount as the Employer determines they would have been had such sacrifice not been made;
- (B) the Member shall not make contributions under Rule 5 (*Members' contributions*) but the Member may make additional voluntary contributions, ("AVCs"), under Rule 35 (*AVCs*);
- (C) the Employer shall from time to time contribute to the Member's Account an amount equal to the contributions (other than any AVCs) which would have been payable by the Member had such sacrifice not been made. Such contributions shall be paid at or about the same time as the Member would (apart from such sacrifice) have paid them; and
- (D) for the purpose of determining the benefits payable to or in respect of a Member, the contributions paid by the Employer pursuant to paragraph (C) shall be deemed to have been paid by the Member except that for the purposes of determining the amount (if any) payable to a Member under Rule 10.1(B)(1) (*Leaving Service: Termination of Pensionable Service – Transfer payment/Contribution refund*) the contributions which the Member is deemed to have paid and the amount of the Member's Account which in the Trustee's opinion is referable to them shall be disregarded.

26. **Flexible benefits**

Where a Member participates in a flexible benefits arrangement provided by the Employer, for the purposes of determining contributions and benefits the Member's earnings from the Employer shall be deemed to be such amount as the Employer determines they would have been had the Member not been participating in that flexible benefits arrangement.

27. **Fair value with deferred pension**

- (A) This Rule 27 applies to a Member who has satisfied the Qualifying Conditions and whose pension under the Scheme commences to be paid to him before NRD or who does not continue in Pensionable Service up to NRD but whose pension does not commence until after NRD.
- (B) The date with effect from which the Member's pension becomes payable is called the "Start Date".
- (C) The Trustee must be reasonably satisfied that at the Start Date the total value of the benefits payable under the Scheme to or in respect of the Member is at least equal in value to the benefits which have accrued under the Scheme to or in respect of the Member after effect has been given to the Revaluation Requirements. Where the benefits are being provided in lieu of part of the benefits otherwise payable, the comparison shall be made

between the benefits being so provided and the benefits in lieu of which they are being provided.

28. **Part time employees**

- (A) If a Member is not throughout his Pensionable Service regarded by the Employer as a “full-time” Employee, the Trustee may (despite any contrary Rule) adjust the amount of contributions payable by or in respect of such Member and/or the benefits otherwise payable under the Scheme to or in respect of him in order to allow for any period of part-time employment or any variation in working hours, subject to the Overriding Requirements.
- (B) If the Member joined the Scheme prior to 5 September 2000 and the number of hours, as determined by the Employer, which he is contracted to work (without overtime) in a normal working week does not vary during his Pensionable Service, no adjustment made pursuant to this Rule 28 shall result in the benefits payable in respect of Pensionable Service prior to 5 September 2000 being less than they would have been had no such adjustment been made.

29. **Overseas employment**

In respect of any period during which a Member while remaining in Service works (whether wholly or partly) outside the United Kingdom, the Employer may credit the Member with such notional earnings as the Employer decides. The notional earnings shall be treated as the Member's actual earnings during that period for any and all the purposes of the Scheme. Unless the Member is employed by WHG (International) Limited and was not immediately prior to entering employment with that company in Service as a Member or unless the Member otherwise agrees, the notional earnings must not be less than the amount which the Employer reasonably estimates the Member would have been earning had he been working wholly in the United Kingdom. The Employer shall notify the amount so determined to the Trustee and the Member.

30. **Flexible retirement**

30.1 **Option**

A Member who is continuing in Service may elect, by such prior notice to the Trustee as the Trustee requires, to receive benefits under the Scheme as if he had left Service but only if:

- (A) the Member has reached age 55; and
- (B) unless the Member has reached age 60, the Principal Company consents.

The date with effect from which such benefits become payable is the “Specified Date”.

As this Rule 30 applies to an Employed RP Member please see Rule 31 (*Employed RP Member: Separate treatment of Retirement Plan and ES/S Plan*).

30.2 **Benefits payable**

When a Member makes such an election, and subject to sub-rule 30.3, if the Member is an:

- (A) EPP Member or a Saver and, in neither case, an Employed RP Member, benefits shall be payable as if the Member had left Service immediately prior to the Specified Date. The Member shall then be entitled to benefits under (if the Member has not reached NRD) Rule 10 (*Leaving Service*) or (if the Member has reached NRD) Rule 8 (*Benefits on retirement from Service*);
- (B) Employed RP Member and makes such election in relation to his benefits under the:

- (1) **Employee Pension Plan or Savings Plan**, benefits shall be payable under the EP/S Plan as provided in sub-paragraph (A) above;
- (2) **Retirement Plan**, benefits shall be payable as if the Member had left or retired from Service, as applicable, immediately prior to the Specified Date provided that the conditions for the payment of such benefits would have been satisfied had the Member contemporaneously actually left or retired from Service, as applicable, except that benefits shall be payable under Rule 16 (*Early retirement from Service*) only if the Principal Company so determines by notice in writing to the Member and the Trustee. Where benefits commence under the Retirement Plan while the Member is still in Service, benefits thereafter shall be payable under the Retirement Plan as if he had retired and so, in particular, Rule 20 (*Death after retirement*), and not Rule 19 (*Death in Service*), shall apply on his death.

### 30.3 Future Service benefits

#### (A) Member (other than an Employed RP Member):

- (1) Where a Member (other than an Employed RP Member) continues in Service on and after the Specified Date having commenced his benefits under the EP/S Plan:
  - (a) subject to sub-paragraphs (b) and (c), the Member shall cease participating in the EP/S Plan immediately prior to the Specified Date;
  - (b) before the Specified Date (or such later date as the Principal Company agrees), the Member may elect to participate in (if the Member is a Management Employee) the Savings Plan or (in any other case) the Employee Pension Plan for benefits in respect of Pensionable Service from the Specified Date;
  - (c) if the Member does not make an election under sub-paragraph (b), the Member may elect under Rule 4 (*Joining*) to participate in the Savings Plan or the Employee Pension Plan, as applicable, as provided in that Rule and shall in any event be subject to Rule 4.2(A) (*Automatic enrolment*) or Rule 4.2(D) (*Re-enrolment*), as applicable.

In this sub-paragraph (A) words and expressions shall have the same meanings as in Rule 4 (*Joining*).

- (2) If the Member continues, or, as applicable, recommences, participating in the EP/S Plan, contributions shall be allocated to a separate Member's Account. The Rules shall apply to that account as if that account were the Member's only Member's Account and the Qualifying Conditions had been met.
  - (3) Unless and until the Member continues, or recommences, participating in the EP/S Plan, the Member may while he continues in Service on and after the Specified Date qualify as a Life Assurance Member subject as provided in the definition of that term. For the purposes of determining whether the Member qualifies as a Life Assurance Member and the benefits payable in respect of him as such a Member, the Member shall not be regarded as having left Service as provided in Rule 30.2.
- (B) **Employed RP Member:** Where a Member continues in Service on and after the Specified Date having commenced his benefits under the:
- (1) **Employee Pension Plan or Savings Plan:**
    - (a) the benefits under the Retirement Plan shall be unaffected. In particular while the Member remains in Service and does not commence his benefits under

the Retirement Plan, benefits shall continue to be payable on his death under Rule 19 (*Retirement Plan: Death in Service*) and no benefits shall be payable under Rule 9 (*EP/S Plan: Death in Service*) or 24 (*Life Only Section: Life Assurance Benefit*);

- (b) the Member shall cease participating in the EP/S Plan immediately prior to the Specified Date except that:
  - (i) before the Specified Date (or such later date as the Principal Company agrees), the Member may elect to participate in (if the Member is a Management Employee, the Savings Plan or (in any other case) the Employee Pension Plan for benefits in respect of Pensionable Service from the Specified Date;
  - (ii) if the Member does not make an election under sub-paragraph (i), the Member may elect under Rule 4 (*Joining*) to participate in the Savings Plan or the Employee Pension Plan, as applicable, as provided in that Rule and shall in any event be subject to Rule 4.2(A) (*Automatic enrolment*) or Rule 4.2(D) (*Re-enrolment*), as applicable.

In this paragraph (b) words and expressions shall have the same meanings as in Rule 4 (*Joining*);

- (c) if the Member continues, or recommences, participating in the EP/S Plan, contributions shall be allocated to a separate Member's Account. Apart from Rule 8.4 (*Benefits on retirement from Service: Employed RP Members: Small residual funds*), which will not apply, the Rules shall apply in relation to that account as if it were the Member's only Member's Account and the Qualifying Conditions had been met;
  - (d) if benefits under the Retirement Plan commence (whether before, at the same time as or after those under the EP/S Plan), the Member may qualify while he continues in Service as a Life Assurance Member (subject as provided in the definition of that term) but will only qualify for benefits under Rule 9 (*EP/S Plan: Death in Service*) if he commences to accrue benefits under the EP/S Plan in accordance with sub-paragraph (b).
- (2) **Retirement Plan:** save as provided under Rule 8.4 (*Benefits on retirement from Service: Employed RP Members: Small residual funds*), benefits thereafter shall be payable under the EP/S Plan and/or Rule 24 (*Life Only Section: Life Assurance Benefits*), as applicable, as if the Member were not an Employed RP Member.

31. **Employed RP Member: Separate treatment of Retirement Plan and EP/S Plan benefits**

Except as otherwise expressly provided under the Rules, the respective benefits of an Employed RP Member under the Retirement Plan and the EP/S Plan are entirely separate from each other and so, in particular, may commence at different times in accordance with and subject to the applicable Rules. Any benefits under Rule 35 (*AVCs*) shall be regarded as being attached to those under the Retirement Plan or the EP/S Plan or partly to one and the remainder to the other as the Trustee determines.

32. **Opting-out**

32.1 **Opting-out of Savings Plan as from Fourth Revision Date**

Pursuant to Rule 30B of the Rules (*Employed RR Members: Opting-out*) in force on the Fourth Revision Date, ("2011 Rule 30B"), an Employed RP Member may elect not to participate in the

Savings Plan as from the Fourth Revision Date. To be effective, such election (see Rule 32.7) must be received by the Trustee no later than 14 April 2011.

### 32.2 Opting-out of EP/S Plan as from a later date

- (A) A Member who is participating in the EP/S Plan may elect at any time to cease doing so (see Rule 32.7). His participation in that Plan shall end on the last day of the first pay period to finish not less than one month after the Trustee receives such election (or such earlier date as the Trustee decides).
- (B) Benefits shall be payable in respect of Pensionable Service under the EP/S Plan as if the Member had left Service on the last day of Pensionable Service entitled to benefits under (if that day is before NRD) Rule 10 (*Leaving Service*) or (if it is on or after that date) Rule 8 (*Benefits on retirement from Service*).
- (C) The foregoing provisions of this sub-rule 32.2 do not apply to a Member who exercises the option under Rule 4.4 (*Opting-out*) and so is treated as if he had not become a Member on that occasion.

### 32.3 Opting out of Retirement Plan

An election under 2011 Rule 30B or sub-rule 32.2 will not affect the benefits payable under the Retirement Plan to or in respect of an Employed RP Member but where an Employed RP Member makes such an election he may also elect (whether at the same time or subsequently) to terminate his Pensionable Service for the purposes of the Retirement Plan (see Rule 32.7). If an Employed RP Member makes such an election, his Pensionable Service for the purposes of the Retirement Plan shall end (if the election is made at the same time and with effect from the same date as the election under 2011 Rule 30B or sub-rule 32.2) contemporaneously with his participation in the EP/S Plan ending or (in any other case) on the last day of the first pay period to finish not less than one month after the Trustee receives such election (or such earlier date as the Trustee decides). Any election under this Rule 32.3 is irrevocable.

### 32.4 Commencement of benefits

- (A) Save as provided in paragraph (B) and Rule 30 (*Flexible retirement*) and Rules 37 and 38 (*Individual and Group transfers-out*), no benefits shall be paid to a Member who exercises the option under Rule 32.2 or 32.3 before the Member actually ceases to be in Service (or reaches the day before his 75<sup>th</sup> birthday (if earlier)).
- (B) The payment of the GMP may not be deferred after age 65 unless the Member consents. If the GMP commences to be paid before the remainder of the Member's pension, the pension otherwise payable to the Member shall be subject to such adjustment as the Trustee, after consulting the Actuary, determines.

### 32.5 Life Assurance Member

- (A) A Member (other than an Employed RP Member) who makes an election under Rule 32.2 may while he remains in Service qualify as a Life Assurance Member in accordance with the definition of that term unless he is for the time being participating in the EP/S Plan pursuant to Rule 32.6.
- (B) An Employed RP Member who makes an election under 2011 Rule 30B or sub-rule 32.2 and also ceases to be in Pensionable Service for the purposes of the Retirement Plan pursuant to Rule 32.3 may while he remains in Service qualify as a Life Assurance Member in accordance with the definition of that term unless he is for the time being participating in the EP/S Plan pursuant to Rule 32.6.

- (C) For the purposes of determining whether a Member qualifies as a Life Assurance Member and the benefits payable in respect of him as such a Member, the Member shall not be regarded as having left Service as otherwise provided in this Rule.

**32.6 Subsequent participation in the Employee Pension Plan or Savings Plan**

- (A) A Member who makes an election under 2011 Rule 30B or sub-rule 32.2 may elect to participate in (if the Member is a Management Employee, as defined in Rule 4.1 (*Joining: Definitions*)) the Savings Plan or (in any other case) the Employee Pension Plan for benefits for future Pensionable Service as provided in Rule 4.2(C) (*Opting-in*).
- (B) In any event the Member shall be subject to Rule 4.2(A) (*Automatic enrolment*) or Rule 4.2(D) (*Re-enrolment*), as applicable.
- (C) In this sub-rule 32.6 words and expressions shall have the same meanings as in Rule 4 (*Joining*).

**32.7 Election**

An election under this Rule 32 must be made in writing or in such other manner as the Trustee accepts. Receipt of the election by the Principal Company or the Employer shall be regarded as receipt by the Trustee.

**33. Broken Service**

**33.1 Periods count separately**

If a Member leaves Service and later rejoins, benefits shall be payable under the Scheme as if each period of Service was the Member's only period of Service except as otherwise:

- (A) required for the purposes of determining whether the Qualifying Conditions have been satisfied or as otherwise provided in this Rule 33; or
- (B) agreed between the Employer, the Member and the Trustee.

**33.2 Maternity, adoption and paternity leave**

- (A) This sub-rule 33.2 applies during and in respect of any period, (the "Period of Absence"), on or after the Fourth Revision Date during which a Member:
  - (1) is absent from work due to pregnancy or childbirth and for which the Employer pays the Member contractual remuneration or statutory maternity pay; or
  - (2) is on ordinary or additional maternity leave, ordinary or additional adoption leave, or paid paternity leave (all within the meaning of Part VIII, Employment Act).
- (B) Subject as otherwise provided in this sub-rule 33.2, benefits shall be provided for and in respect of the Member as if throughout such period the Member was working normally in receipt of such earnings as the Principal Company determines the Member would have received had the Member being doing so.
- (C) Cover shall be maintained throughout the Period of Absence under whichever of the following Rules for the time being applies to the Member, that is Rule 9 (*EP/S Plan: Death in Service*), Rules 15 and 19.1 (*Retirement Plan: Incapacity pension and Death in Service*) or Rule 24 (*Life Only Section: Life assurance benefits*).
- (D) During the longer of the period the Member is in receipt of pay (contractual or statutory), ("Paid Leave"), and the period which counts as ordinary maternity or adoption leave or paid

paternity leave (within the meaning of Part VIII, Employment Act) contributions under Rules 5 (*Members' contributions*) and 6 (*Employer contributions*) shall be maintained but the contributions payable by the Member shall be based on the pay (contractual or statutory) actually received.

- (E) If while absent or within one year (or such longer period as the Trustee agrees) of returning to work the Member pays in respect of any part (or the whole) of the Period of Absence which is not Paid Leave (see paragraph (D)) the contributions which the Trustee estimates the Member would (had the Member not been on leave) have paid under Rule 5 (*Members' contributions*) and if the Member is an Employed RP Member and in respect of any period prior to the Fourth Revision Date under Rule 5 (*RP Members' contributions*) of the Rules in force immediately prior to that date, the period for which such contributions are paid shall count as Pensionable Service and contributions shall be payable accordingly under Rule 6 (*Employer contributions*).
- (F) If the Member is not treated as remaining in Pensionable Service throughout the Period of Absence but re-enters Pensionable Service at the end of that period, the earlier and later periods of Pensionable Service shall be treated as continuous but, subject to paragraph (E), the intervening period shall not count as Pensionable Service.
- (G) If for any reason (other than the Member's death or, in the case of an RP Member, retirement under Rule 15 (*Incapacity pension*)) the Member does not return to work in exercise of the statutory right to do so, Rule 10 (*EP/S Plan: Leaving Service*) and, if applicable, Rule 21 (*Retirement Plan: Leaving Service*) shall apply on the basis that the Member left Service on the last day which counts as Pensionable Service.
- (H) If the Employer agrees with the Member to an extension of the period for which the Member is away from work and at the expiry of that extension the Member returns to work, the Member shall be treated for the purposes of this sub-rule 33.2 as having returned to work in exercise of the statutory right to do so.

### 33.3 Family leave

- (A) In this sub-rule 33.3 a "period of family leave" means any period after 22 June 1994 throughout which a Member is absent from work for family reasons and for which the Employer pays the Member any contractual remuneration.
- (B) During and in respect of a period of family leave taken by a Member, benefits shall be provided for and in respect of the Member as if throughout that period the Member worked normally but only received the remuneration, in fact, paid to him for that period or such greater amount as the Employer determines.

### 33.4 Group income protection

- (A) This sub-rule 33.4 applies in respect of any period throughout which benefits are being paid in respect of a Member under any group income protection (or permanent health) scheme maintained by the Employer, ("IPS").
- (B) Such period shall count as Pensionable Service.
- (C) For the purposes of determining the amount of:
  - (1) any contributions payable by or in respect of the Member, the income paid to the Member under the IPS shall be treated as his Eligible Earnings; and
  - (2) any benefits payable to or in respect of the Member, Final Pensionable Pay and Life Assurance Pay shall be determined as provided in the definitions of those terms.

## 33.5 Other absences from work

- (A) This sub-rule 33.5 applies during and in respect of any period after the Third Revision Date during which a Member while remaining in Service is absent from work (other than in circumstances in which sub-rule 33.2, 33.3 or 33.4 applies).
- (B) While the Member continues to be paid, the Member shall continue in Pensionable Service and pay contributions under Rule 5 (*Members' contributions*).
- (C) Any period during which the Member is not being paid shall not count as Pensionable Service unless during that period or within one year (or such longer period as the Trustee allows) of the Member returning to work the Member pays in respect of any part (or the whole) of the unpaid period of absence the contributions which the Trustee estimates would (but for such absence) have been payable under Rule 5 (*Members' contributions*) and in the case of an Employed RP Member and in respect of any period prior to the Fourth Revision Date under Rule 5 (*RP Members' contributions*) of the Rules then in force in which case:
- (1) the period for which such contributions are paid shall count as Pensionable Service; and
  - (2) if the Member is an EPP Member or a Saver, contributions shall be payable under Rule 6 (*Employer contributions*).
- (D) If the Member returns to work but is not treated as remaining in Pensionable Service throughout his absence, the earlier and later periods of Pensionable Service shall be treated as continuous but the intervening period shall not (subject to (C) above) count as Pensionable Service.
- (E) Cover for benefits under Rule 9 (*EP/S Plan: Death in Service*), Rule 19.1 (*RP Member in Pensionable Service*) or Rule 24 (*Life assurance benefits*), as applicable, and (if the Member is an RP Member) under Rule 15 (*Incapacity pension*) shall be maintained up to and including the second anniversary of the last day upon which the Member is actively at work or up to such earlier or later date as the Employer decides. No such cover shall, however, be provided on or after the Member's 75<sup>th</sup> birthday. The benefits payable shall (unless the Employer and the Trustee otherwise decide) be based on what would have been the Life Assurance Pay and Final Pensionable Pay of the Member had the Member retired or, as applicable, died on the last day upon which he accrues basic pay at the full rate.
- (F) If the Member is an RP Member, an EPP Member or a Saver and either:
- (1) dies while absent from work but not while covered for benefits under Rule 9 (*EP/S Plan: Death in Service*) or Rule 19.1 (*RP Member in Pensionable Service*), as applicable, pursuant to (E) above, or
  - (2) does not return to work for any reason (other than death or, in the case of an Employed RP Member, retirement under Rule 15 (*Incapacity pension*)),
- Rule 10 (*EP/S Plan: Leaving Service*) and/or Rule 21 (*Retirement Plan: Leaving Service*) shall apply on the basis that he left Service on the last day which counts as Pensionable Service.
- (G) For the purposes of determining the amount of any benefit payable under the Scheme, the Member shall be treated as having been in receipt of such earnings during the period of absence as the Employer determines.

### 33.6 Temporary break in employment

A Member who ceases to be in Service shall nevertheless be treated as remaining in Service for so long as the Principal Company determines and the Member and the Trustee agree. Whilst the Member is treated as remaining in Service, contributions payable by or in respect of the Member and the benefits payable to or in respect of the Member shall be such as the Principal Company decides and the Trustee agrees.

### 33.7 Ineligibility

(A) If a Member while remaining in Service:

- (1) becomes solely a non-executive director of the Employer, and/or
- (2) unless the Principal Company otherwise decides, becomes employed by WHG (International) Limited, and/or
- (3) ceases to be employed by the Employer to work ordinarily (if he is not employed by WHG (International) Limited) in the United Kingdom or (if he is employed by WHG (International) Limited) in Gibraltar,

the Member shall be treated as leaving Service unless the Employer otherwise decides and the Trustee agrees.

(B) If the Member is treated as leaving Service, benefits shall be payable accordingly except that no benefits shall be paid before the Member actually ceases to be in Service (or the day before his 75<sup>th</sup> birthday, whichever first occurs). Despite the foregoing:

- (1) this paragraph (B) takes effect subject to Rule 30 (*Flexible retirement*);
- (2) a transfer may be made in accordance with the PSA or Rule 37 (*Individual transfers-out*) or 38 (*Group transfers-out*);
- (3) the payment of the GMP under the GMP Rules shall not be deferred after age 65 unless the Member consents. If the GMP commences to be paid before the remainder of his pension, the pension otherwise payable to the Member shall be subject to such adjustment as the Trustee, after consulting the Actuary, determines.

(C) If, however, the Member is treated as remaining in Service, the contributions payable by or in respect of the Member and the benefits payable to or in respect of the Member shall be such as the Employer decides and the Trustee agrees.

### 33.8 No European Members

(A) If, apart from this sub-rule 33.8, a Member would become a European Member the Member shall be regarded as having left Service immediately prior to the date which, apart from this sub-rule 33.8, he would have become such a Member and sub-rule 33.7 shall apply with any necessary consequential changes.

(B) No contributions may be made to the Scheme which, if made, would be contributions by a European Member and/or contributions paid for, or on behalf of a Member of, by a European Employer. In the event any such contributions are purportedly made, they shall be held by the Trustee as bare trustee for the payer and shall not form part of the Trust Assets.

(C) For the purposes of this sub-rule 33.8, the terms "European Member" and "European Employer" shall have the same meanings as in the Occupational Pension Schemes (Cross-Border Activities) Regulations 2005 and Part 7, PA 2004.

**34. Benefit calculations****34.1 Reliance on data supplied**

The Trustee may treat as conclusive any information or data relating to a Member supplied to the Trustee by (a) the Member or (b) the Employer or (c) the trustees or administrator of any other arrangement from which a transfer payment has been received in respect of the Member or (d) any other person upon whom, by virtue of any present or past association with the Member, the Trustee considers it is reasonable to rely.

**34.2 Minor adjustments**

The Trustee may make such minor adjustments as it considers convenient for the due administration of the Scheme to the data from which any figure under the Scheme is to be calculated and to the figure itself or to either of them, subject to the Overriding Requirements. (By way of example, but without limitation, rounding any monetary figure or period to the nearest whole pound or period, as applicable.)

**34.3 Actuarial calculations**

If in relation to the calculation of any benefit under the Scheme:

- (A) the Trustee is required to consult with, or otherwise obtain the advice of, the Actuary, or
- (B) any matter is to be determined or certified by the Actuary,

such requirement shall be deemed to have been duly fulfilled, or, as the case may be, such matter shall be deemed to have been duly determined or certified, if the calculation is made in accordance with a table or on a basis which has been adopted by the Trustee after consulting with or, as appropriate, on the advice of the Actuary or, if such matter is to be determined or certified by the Actuary, which has been appropriately determined or, as the case may be, certified by the Actuary.

## PART 6 : AVCs

### 35. AVCs

#### 35.1 **Members may pay AVCs**

Subject to sub-rule 35.2, a Member who is for the time being in Service may pay additional voluntary contributions, ("AVCs"), to the Scheme to purchase:

- (A) additional Authorised Benefits calculated on a money purchase basis in accordance with sub-rule 35.3; or
- (B) if the Member is an RP Member and the Principal Company and the Trustee agree, such additional period of Pensionable Service under the Retirement Plan as the Trustee, with the Principal Company's consent, decides and the Actuary advises is reasonable.

#### 35.2 **Restrictions**

- (A) If a Member is not for the time being in Pensionable Service, the Member may only pay AVCs if the Trustee consents.
- (B) Before starting to pay AVCs or varying the rate at which they are paid, a Member must give such notice (not exceeding 12 months) of his intention to do so as the Trustee requires.
- (C) The Trustee may from time to time impose limits on the amount of AVCs which a Member may make.

#### 35.3 **Money purchase benefits**

Where a Member pays AVCs to purchase additional Authorised Benefits calculated on a money purchase basis:

- (A) AVCs made by a Member shall be applied in such a way that the Trustee can at all times until the Member's retirement or earlier death identify the AVC Fund (where "AVC Fund" means the AVCs or the assets representing the same and any income derived therefrom and any accretions thereto less any expenses, taxes and other liabilities paid thereout);
- (B) Rule 53 (*Investment provisions*) shall apply to the investment of the AVC Fund;
- (C) subject to paragraph (D), the benefits in respect of the AVCs shall become payable when the other benefits of the Members first begin to be paid or on the Member's death, if earlier;
- (D) the Member may, if and for so long as the Trustee agrees, defer the start of his AVC benefits until not later than the day before his 75<sup>th</sup> birthday or until his earlier death; and
- (E) when the benefits in respect of the Member's AVCs become payable, and if the Member is an Employed RP Member subject to Rules 8.3 and 8.4 (*Employed RP Members: Pension Commencement Lump Sum and Small residual funds*), the Trustee shall determine the benefits payable. The benefits shall be those which the Trustee decides can be provided with the AVC Fund. The Trustee is not bound to follow the Member's wishes but may do so without enquiry and without being required to take account of the interests of any other person. The benefits shall not (despite any contrary Rule) be taken into account when calculating the benefits payable under the other Rules. Rule 11 (*Securing benefits*) shall apply with any necessary consequential changes.

**35.4 Refund of AVCs**

- (A) If payment is made to a Member under Rules 10.1(B)(1) (*EP/S Plan: Leaving Service: Termination of Pensionable Service – Transfer payment/Contribution refund*), the Trustee shall, subject to Rule 45.1 (*Trustee may deduct tax*), pay the proceeds of the AVC Fund to the Member.
- (B) On such payment being made, the Member shall cease to be entitled to any other benefits under this Rule 35.

**35.5 Death benefits**

- (A) Any benefit payable under this Rule 35 in lump sum form on or after the death of a Member shall be paid in accordance with Rule 42 (*Disposal of lump sum death benefits*).
- (B) In respect of any AVCs paid to purchase additional Pensionable Service, such benefits (if any) shall be payable on the death of a Member before his benefits under this Rule 35 commence to be paid as the Principal Company and the Trustee decide.

**35.6 Transferred AVCs**

If a transfer of assets is made in respect of any Member to the Scheme from another occupational pension scheme, the Trustee may treat such of the assets (if any) so transferred which are attributable to additional voluntary contributions made by the Member under such other scheme as if such assets were AVCs made by the Member under sub-rule 35.1.

**35.7 Notional only**

Any allocation of the money and assets pursuant to this Rule 35 is for benefit calculation purposes only. No beneficiary is entitled to any specific Trust Assets and his entitlement to benefits lies against the Trust Assets as a whole.

## PART 7 : TRANSFERS

### 36. Transfers-in

#### 36.1 Arrangements from which transfers may be accepted

The Trustee may, in respect of any Member, accept a transfer (or assignment) of cash or assets from a:

- (A) Registered Pension Scheme; or
- (B) recognised overseas pension scheme (within the meaning of s.150, FA 2004).

#### 36.2 Benefits provided

Subject as otherwise provided in this Rule 36, on receipt of a transfer in respect of a Member:

- (A) if the Member is an EPP Member or a Saver, the Trustee may credit the Member's Account with such part (or the whole) of the transfer so received;
- (B) subject to paragraph (A) above and sub-rule 36.3, the Trustee shall provide such additional benefits under the Scheme for or in respect of the Member as the Trustee, after consulting the Actuary, decides and are consistent with the Preservation Requirements.

#### 36.3 Money Purchase Benefits

- (A) Instead of providing benefits in accordance with sub-rule 36.2(B) in respect of such part (or the whole) of the cash and assets received in respect of a Member pursuant to sub-rule 36.1 as the Trustee may determine, (the "Initial Amount"), the Trustee may provide Money Purchase Benefits in accordance with this sub-rule 36.3.
- (B) The Trustee shall ensure that the Initial Amount is invested in such a way that the Trustee can at all times until the Member's retirement or earlier death identify the Transfer Fund (where "Transfer Fund" means the Initial Amount or the money and assets representing the same and income derived therefrom and accretions thereto less any expenses, taxes or other liabilities incurred). Subject thereto, Rule 53 (*Investment provisions*) shall apply.
- (C) When the Member retires (or dies if earlier) the benefits payable shall be determined. They shall be such as the Trustee decides can be provided with the Transfer Fund, subject to the Overriding Requirements. In selecting such benefits, the Trustee shall have regard to any wishes of the Member which have been made known to the Trustee in writing. The Trustee is not bound to follow the Member's wishes but may do so without enquiry and without being required to take account of the interests of any other person. Rule 11 (*Securing benefits*) shall apply with any necessary consequential changes.
- (D) Any benefit payable under this sub-rule 36.3 in lump sum form on or after the death of a Member shall be paid in accordance with Rule 42 (*Disposal of lump sum death benefits*).

#### 36.4 Group transfers in

The Trustee may accept a transfer in respect of one or more Members or other persons from a scheme of a kind referred to in sub-rule 36.1. On receipt of the transfer, the Trustee shall grant such benefits or additional benefits for or in respect of the Member or Members or other persons in respect of whom the transfer is made as the Trustee, after consulting the Actuary and with the Principal Company's consent, shall decide.

### 36.5 **Transfer from Former Scheme**

In relation to a Transferred Member or a Transferred Sears Scheme Member the benefits payable in respect of any transfer from the Former Scheme shall (despite any contrary Rule) be as described elsewhere in the Rules except that:

- (A) additional voluntary contributions to the Former Scheme shall be treated as additional voluntary contributions to the Scheme; and
- (B) there shall be payable any fixed benefits for which the Trustee accepts liability from the Former Scheme. For this purpose, a "fixed benefit" means any benefit which was of a fixed amount under the Former Scheme being neither related to final pensionable pay nor calculated on a money purchase basis (by way of example, but without limitation, a paid-up pension granted on receipt of a transfer payment by the Former Scheme).

## 37. **Individual transfers-out**

### 37.1 **Statutory transfers-out**

- (A) Where a Member on ceasing to be in Pensionable Service acquires a right to a cash equivalent under s.94, PSA (*Right to a cash equivalent*) and duly exercises that right by making written application to the Trustee in accordance with s.95(1), PSA (*Ways of taking right to cash equivalent*), the Trustee shall give effect to the exercise of that option in accordance with, but subject to, Chapter I, Part 4ZA, PSA (*Transfer rights; General*). When the Trustee has done what is needed to carry out what the Member requires, the Trustee shall be discharged from all and any obligation to provide the benefits in respect of which the cash equivalent relates and shall not be under any liability as to the application of the cash equivalent so paid.
- (B) Where the Trustee applies an amount which is, or purports to be, the cash equivalent calculated in accordance with s.97, PSA (*Calculation of cash equivalent*) in accordance with the exercise, or purported exercise, by a Member of the aforesaid right to a cash equivalent, the Trustee shall (to the extent the law allows) be discharged from all and any obligation to provide benefits to which the cash equivalent, or purported cash equivalent, relates even if s.99, PSA (*Trustees' duties after exercise of option*) does not apply. If the amount of the cash equivalent purported to be calculated in accordance with the aforementioned s.97 is less than the amount which the cash equivalent would have been had it been duly calculated in accordance with that section, then (despite the foregoing provisions of this paragraph 37.1(B)) the Trustee shall remain liable for, but only for, the difference.

### 37.2 **Discretionary transfers-out**

#### (A) **Arrangements to which transfers can be made**

The Trustee may, with the written consent of the Member, pay the Transfer Value (calculated as provided below) to a:

- (1) Registered Pension Scheme; or
- (2) qualifying recognised overseas pension scheme (within the meaning of s.169(2), FA 2004).

If when the Trustee pays or applies the Transfer Value the arrangement to which it is paid or applied is held out to the Trustee to be, but unbeknown to the Trustee is not, of a kind referred to in sub-paragraph 37.2 (A)(1) or (2), this sub-rule 37.2 shall (to the extent the law allows) apply as if it were such an arrangement.

**(B) Transfer Value**

The Transfer Value shall, subject to paragraph 37.2(C), be equal to:

- (1) such amount as the Trustee is satisfied equals the value of the benefits which have accrued to or in respect of the Member under the Scheme after effect has been given to the Revaluation Requirements; or
- (2) such greater amount as the Principal Company decides and the Trustee approves.

**(C) GMPs**

Unless the transfer discharges the Scheme's liability for any GMP in accordance with the Transfer Regulations, (i) the GMP will continue to be payable under the Scheme unless the liability is discharged in a way permitted under the Contracting-out Requirements and (ii) the amount which would otherwise be the Transfer Value shall be reduced by the amount which the Trustee determines is required to meet the liability for such GMP.

**(D) Discharge**

On the Transfer Value in respect of a Member being applied in accordance with the preceding provisions of this sub-rule 37.2, and subject to paragraph 37.2(C), the Trustee shall be discharged from any obligation to provide benefits to or in respect of the Member. The Trustee shall, so far as the law permits, also receive such a discharge if in any respect the Trustee has deviated from the foregoing provisions of this sub-rule 37.2 but the interests of the Member have not been adversely and materially affected or the Member consented to such deviation. Furthermore, the Trustee shall not be under any liability as to the application of any Transfer Value paid in accordance with this sub-rule 37.2.

**(E) Partial transfers**

Instead of making a transfer in respect of all the benefits payable under the Scheme to or in respect of a Member pursuant to the foregoing provisions of this sub-rule 37.2, the Trustee may, with the Member's consent, make a transfer in respect of the benefits under the EP/S Plan and not the Retirement Plan (or vice versa) and any such transfer may include a transfer in respect of the benefits under Rule 35 (AVCs) or a transfer may be made only in respect of the benefits under that Rule 35. The foregoing provisions of this sub-rule 37.2 shall apply as if the benefits in respect of which the transfer is made were the only benefits payable under the Scheme to or in respect of the Member and the benefits in respect of which the transfer is not made shall continue to be payable under the Scheme. No transfer in respect of any GMP may be made unless it is made in respect of the whole of the GMP payable under the Scheme to or in respect of the Member.

**(F) Dependants and nominees**

If following a Member's death benefits are to be provided for a Dependant or other individual, (the "Beneficiary"), the Trustee may make a transfer for the benefit of the Beneficiary. Any such transfer shall be subject to the consent of the Beneficiary. The foregoing provisions of this sub-rule 37.2 shall apply, with any necessary consequential changes, to such transfer as if the Beneficiary were a Member.

**38. Group transfers-out****38.1 The power**

The Trustee may:

- (A) with the consent of the Members concerned, or

- (B) subject to complying so far as is applicable with regulation 12 of The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 and only if permitted under the Contracting-out Requirements, without the consent of the Members concerned,

pay a transfer in respect of one or more Members or other persons, (the "Transferring Beneficiaries"), to the trustees or managers of another occupational pension scheme which is a Registered Pension Scheme, (the "Receiving Scheme"). The transfer shall be of such amount (whether in cash or assets) as the Trustee determines to be the value of the benefits payable, or prospectively or contingently payable, under the Scheme to or in respect of the Transferring Beneficiaries reduced, if the liability for the GMP is not being transferred, by the amount which the Trustee determines is required to provide the GMP. The Trustee, with the approval of the Principal Company, may increase the transfer amount.

### 38.2 **Contracting-out**

A transfer may be made under this Rule 38 in respect of the GMP only in the circumstances described in and on the conditions specified in s.20, PSA (*Transfer of accrued rights*) or otherwise permitted under the Transfer Regulations.

### 38.3 **Discharge**

Following a transfer being made in accordance with the foregoing provisions of this Rule 38, no further benefits shall be payable under the Scheme to or in respect of the Transferring Beneficiaries unless the transfer does not discharge the liability for GMPs in accordance with the Transfer Regulations in which event the GMPs shall continue to be payable under the Scheme (the liability for which may be discharged in any way permitted under the Contracting-out Requirements). Furthermore, the Trustee shall not be under any liability as to the application of the cash or assets so transferred.

## 39. **Compulsory annuity policies**

### 39.1 **Application**

This Rule 39 applies in relation to a Member only where:

- (A) the Member has less than 5 years' qualifying service (within the meaning of paragraph 7 of Schedule 16 to the Social Security Act 1973 immediately prior to 6 April 1988) or
- (B) the Trustee considers that, in the circumstances, it is reasonable for the Scheme to provide a policy pursuant to this Rule 39 without the Member's consent,

and, in either case, the following conditions are satisfied:

- (1) at least one year has passed since the Member ceased to be in Pensionable Service;
- (2) at least 30 days have passed since the Trustee sent by post to the Member at his last known address, or delivered to him personally, a written notice of the Trustee's intention to purchase a policy unless the Member exercises his right to a cash equivalent (as described in Chapter I, Part 4ZA, PSA (*Transfer value*)); and
- (3) when the Trustee agrees with the Insurer to take out the policy, there is no outstanding application by the Member for a cash equivalent.

### 39.2 **Purchase of policy**

The Trustee may, instead of providing benefits under the Scheme to or in respect of the Member, purchase a policy in the name of the Member provided that the following conditions are fulfilled:

## Transfers

- (A) the policy is with an Insurer and only contains provisions (including limitations on assignment and surrender) which are consistent with the Overriding Requirements; and
- (B) unless the Principal Company and the Trustee agree upon a greater amount, the consideration for the policy must be of such amount as the Trustee decides is the value (when the consideration is paid) of the benefits which have accrued to or in respect of the Member under the Scheme after effect has been given to the Revaluation Requirements.

### 39.3 Discharge

On the policy being purchased, benefits will cease to be payable under the Scheme to or in respect of the Member. The Trustee shall not be under any liability as to the payment or application of the benefits under the policy.

**PART 8: PAYMENTS AND INCREASES**

40. **Pension increases**

40.1 **Annual increases**

Subject as otherwise provided in this Rule 40:

- (A) every pension for the time being in the course of payment under the Retirement Plan to or in respect of an RP Member, and
- (B) every pension contingently payable on the termination of any such pension for the time being in the course of payment,

shall, on each 1 April, be increased on a compounded basis by the lesser of:-

- (1) 5% and
- (2) the percentage increase in the retail prices index (within the meaning of s.51, PA 1995 (*Annual increase in rate of pension*)) for the period between the penultimate December and the ultimate December before the applicable 1 April (taking the respective figures published for those months).

40.2 **GMP**

Where a person is entitled to a pension payable under the GMP Rules and that pension is in payment, only his pension in excess of that pension shall qualify for increases under sub-rule 40.1. Likewise, where a person is entitled, or contingently or prospectively entitled, to a pension payable under the GMP Rules, only his pension in excess of that pension shall (unless the Trustee and the Principal Company shall otherwise determine) qualify for increases under sub-rule 40.1. The foregoing provisions of this sub-rule 40.2 shall not, however, apply to a Transferred Member if, but only to the extent that, his GMP under the Former Scheme was subject to increases under the Former Scheme corresponding to those under sub-rule 40.1. In any event GMPs shall be increased as provided in the GMP Rules.

40.3 **Transfers-in**

With regard to any transfer payments received by the Trustee in respect of any Member:

- (A) if such transfer is received before the First Revision Date, sub-rule 40.1 shall apply to such of the benefits granted in respect of such transfer which are in the form of a credit of additional Pensionable Service but, unless the Trustee and the Principal Company otherwise agree, not to any other benefits so granted;
- (B) in any other case, sub-rule 40.1 shall apply to:
  - (1) that part (or the whole) of the benefits granted in respect of such transfer which is derived from benefits (not derived from additional voluntary contributions) which are attributable to pensionable service under the transferring scheme (or any previous scheme) on or after the First Revision Date or to payments in respect of any employment on or after that date;
  - (2) the balance (if any) of the benefits granted in respect of such transfer if, but only to the extent that, such benefits are in the form of the credit of additional Pensionable Service; and
  - (3) such other (if any) of the benefits derived from such transfer as the Principal Company and the Trustee determine;

except that unless and to the extent that the Trustee and the Principal Company otherwise determine:

- (a) sub-rule 40.1 shall not apply to any Money Purchase Benefits unless the amount of the benefits is determined on the basis that sub-rule 40.1 will apply;
- (b) no increases shall arise under sub-rule 40.1 on any benefits (not in the form of the credit of additional Pensionable Service) before the Member retires or dies if earlier;
- (c) sub-rule 40.1 shall not apply to any benefits granted in respect of that part (or the whole) of such transfer which derive from rights which have at any time been held in a Personal Pension Scheme and which were not subject to s.162, PA 1995 (*Annual increase in rate of personal pension*); and
- (d) save as provided in the PR Rules, no increases under sub-rule 40.1 shall on or after the State Pension Age of the Member or his earlier death be provided on that part of any pension which corresponds with any Pre-'97 PRs (within the meaning of the PR Rules and in this sub-paragraph the "PR Rules" means the Protected Rights Rules in force prior to 6 April 2012).

#### 40.4 **Application**

The increases arising under sub-rule 40.1 shall not apply to:

- (A) any benefits which are, in the opinion of the Trustee, derived from additional voluntary contributions;
- (B) any benefits (not in the form of a credit of additional Pensionable Service) granted under Rule 44 (*Discretionary benefits*); or
- (C) any benefits payable under the Employee Pension Plan or the Savings Plan;

unless and to the extent that in any particular case the Principal Company and the Trustee otherwise decide.

#### 41. **Payment of pensions**

##### 41.1 **Duration**

Except as otherwise provided in the Rules, all pensions are payable from the event giving rise to the pension for the remainder of the recipient's life.

##### 41.2 **Payment**

Unless the Trustee otherwise decides in any particular case, pensions shall be payable by monthly instalments on such day of the month as the Trustee from time to time decides. The Trustee may but, save as provided in sub-rule 41.3, need not apportion the first or last instalment of pension.

Any adjustment in the amount of pension payable to or for the benefit of a Member or Dependant shall take place (without apportionment) on the first due date after the event giving rise to that adjustment occurs.

##### 41.3 **Contracting-out guarantee**

On the death of a Member who has been in Contracted-out Membership or of the Spouse of such a Member, the Trustee shall, on a claim being made therefor, pay such additional payment (if any) to the estate of the deceased as is necessary to ensure that any GMP of the deceased are paid for a period of not less than the minimum required under the Contracting-out Requirements.

41.4 **III-health commutation**

- (A) The Trustee may pay a lump sum to the Member in commutation of the Member's entitlement to benefits under any arrangement (within the meaning of the FA 2004) under the Scheme if:
- (1) such benefits are not already in payment;
  - (2) the Trustee has received evidence from a Registered Medical Practitioner that the Member is expected to live for less than one year;
  - (3) the lump sum is paid when all or part of the Member's Lifetime Allowance is available and before the Member reaches age 75;
  - (4) the lump sum extinguishes the Member's entitlement to benefits under the applicable arrangement or arrangements of the Scheme on which such benefits are regarded as held for the purposes of the FA 2004; and
  - (5) subject to Rule 43.4 (*Mental incapacity*), the Member consents to the lump sum being paid in lieu of the benefits otherwise payable.
- (B) The Trustee, after consulting the Actuary, shall decide the rate at which pension is converted into a lump sum for this purpose. The Trustee must be satisfied that when the lump sum is paid the amount thereof is at least equal to the then value of the benefits which have accrued to or in respect of the Member under the Rules after effect has been given to the Revaluation Requirements and in lieu of which the lump sum is being paid.
- (C) A Member shall be treated as having retired under the Scheme on the day before the lump sum becomes payable.
- (D) As from immediately prior to any such commutation the benefits (other than any such lump sum death benefits) contingently payable on and after the Member's death shall be held under a separate arrangement for the purposes of the FA 2004 from that under which the Member's benefits are held.

41.5 **Commutation of small pensions**

- (A) In the circumstances specified in paragraph 7, schedule 29 to the FA 2004 (Trivial commutation lump sum) or in paragraph 11 or 12 of The Registered Pension Schemes (Authorised Payments) Regulations 2009 (De minimis rule for pension schemes and Payment by larger pension schemes), the Trustee may pay a lump sum to a Member in lieu of all other benefits payable under the Scheme to or in respect of the Member.
- (B) In the circumstances specified in paragraph 20, schedule 29 to the FA 2004 (Trivial commutation lump sum death benefit), the Trustee may pay a lump sum to a Dependant of a deceased Member in lieu of the Dependant's entitlement under the Scheme.
- (C) The Trustee shall determine the amount of any lump sum payable under this sub-rule 41.5 on a basis certified by the Actuary to be reasonable. The Trustee must be satisfied that when the lump sum is paid the amount thereof is at least equal to the then value of the benefits which have accrued to or in respect of the Member under the Rules after effect has been given to the Revaluation Requirements and in lieu of which the lump sum is being paid.
- (D) This sub-rule 41.5 takes effect subject to the GMP Rules.

42. **Disposal of lump sum death benefits**

42.1 **Notification Date**

In this Rule 42 the "Notification Date" means, in relation to a deceased Member, the earlier of the day on which the Trustee first knew of the Member's death and the day on which the Trustee could first reasonably be expected to have known about it.

42.2 **Funeral expenses**

Where a lump sum is payable in accordance with this Rule 42 on a Member's death, the Trustee may use any part (or the whole) of the lump sum to pay the Member's funeral expenses or to reimburse any person who has paid them. In either event, Rule 42.3 shall then only apply to the balance (if any) of the lump sum.

42.3 **Discretionary provisions**

Subject as otherwise provided in this Rule 42, the Trustee may pay or apply any lump sum payable in accordance with this Rule 42 on the death of a Member to or for the benefit of such one or more of the Named Class (as defined below) or to the estate of the deceased Member in such amounts, at such times and generally in such manner as the Trustee may from time to time decide.

42.4 **Payment to trust/Provision of an annuity**

In exercise of the power under sub-rule 42.3 within the period of 21 months beginning with (and including) the Notification Date, the Trustee may pay or transfer the lump sum, or any part of it, to:

- (A) a trustee or trustees to be held independently upon trust for the benefit of such one or more of the Named Class at such age or time or respective ages or times and in such shares and either absolutely or for such period or respective periods and with such gifts over and with or subject to such discretionary trusts, powers and provisions and generally in such manner in all respects as the Trustee (having regard to the rule against perpetuities) thinks fit; or
- (B) an Insurer to purchase an annuity for a member of the Named Class who is a Dependant. The Trustee must give the Dependant an opportunity to select the Insurer when required to do so under the FA 2004. Instead of purchasing an annuity from an Insurer, the Trustee may, with the consent of the Principal Company, secure a pension for the Dependant under the Scheme of such amount and on such terms as the Trustee, after consulting the Actuary, and with like consent, shall determine.

The costs and expenses incurred by the Trustee may be deducted from the lump sum.

42.5 **Payment to estate**

The Trustee shall, subject to sub-rule 42.6, pay to the Member's estate any part (or the whole) of the lump sum which has not been paid or applied in accordance with the forgoing provisions of this Rule 42 before the end of the 21-month period beginning with (and including) the Notification Date.

42.6 **Default of payment within 2 years**

If any lump sum otherwise payable in accordance with this Rule 42 has not been paid before the end of the two-year period beginning with (and including) the Notification Date, the lump sum shall cease to be payable and instead an amount equal to the lump sum:

- (A) may, at the discretion of the Trustee, be applied to provide such pension or additional pension for such one or more of the Member's Dependents as the Trustee determines of such amount or amounts as the Trustee, after consulting the Actuary, determines;

(B) subject thereto, shall be held as a general accretion to the Trust Assets.

42.7 **Meaning of “Named Class”**

In this Rule 42 “**Named Class**” means, in relation to a Member:

- (A) any Spouse or cohabitee of the Member;
- (B) any child, brother or sister of the Member or of his Spouse or of his cohabitee;
- (C) any parent, ancestor, descendant or collateral relative of the Member or of his Spouse or cohabitee;
- (D) any person who is shown, to the satisfaction of the Trustee, to have been wholly or in part financially dependent on the Member or his Spouse or cohabitee or towards whose maintenance and support (whether wholly or in part) it is shown, to the satisfaction of the Trustee, the Member or his Spouse or cohabitee had been contributing prior to the Member’s death;
- (E) any person who is shown, to the satisfaction of the Trustee, to be entitled to any interest in the Member’s estate;
- (F) any individual, charity, association, company or trust whose name and particulars the Member notified in writing before his death to the Trustee or the trustees of the Investment Plan as being a possible recipient of any lump sum or part of it payable under the Scheme or the Investment Plan; and
- (G) any person who is the Spouse or descendant of any person referred to above;

where:

- (1) “**Spouse**” includes a former Spouse;
- (2) “**cohabitee**” means any person who is shown, to the satisfaction of the Trustee, to be when the Member died living with the Member in an enduring relationship;
- (3) “**descendant**” includes any persons claiming by reason of adoption;
- (4) “**ancestor, descendant or collateral relative**” includes ancestors, descendants or collateral relatives of both the whole-blood and the half-blood; and
- (5) “**child**” includes any step-child, step-grandchild, adopted child or illegitimate child.

43. **Payment of benefits generally**

43.1 **Supply of information**

A beneficiary shall produce such evidence and information (including evidence of continued existence) as the Trustee may reasonably require from time to time. Until the evidence and information is produced, the Trustee may withhold the payment of any benefit to which the beneficiary is entitled.

43.2 **Beneficiary unable to act**

If a beneficiary is under age 18 or is, in the opinion of the Trustee, either under any disability or suffering from any mental disorder or physical incapacity, the Trustee may pay any benefit payable to the beneficiary to:

- (A) that beneficiary if he has attained age 16; or
- (B) such person or persons, body corporate or institution as the Trustee thinks fit for the benefit of that beneficiary.

The receipt of, or the payment into the bank account of, the beneficiary or such person or persons, body corporate or institution shall be a complete discharge to the Trustee and shall exonerate the Trustee from all further concern and responsibility in relation to that benefit. For this purpose, a certificate by a qualified medical practitioner that any person is suffering from any mental disorder or physical incapacity may be accepted by the Trustee as conclusive evidence of the fact.

#### 43.3 **Payment to estate**

If any sum or sums (not exceeding in aggregate £5,000) is payable to the estate of a deceased beneficiary, the Trustee may (instead of paying the estate) pay that sum or those sums to the Spouse of the deceased or to any person who is, or purports to be, entitled to the deceased's estate under the law of Intestacy in the place where the deceased was, in the opinion of the Trustee, domiciled without (in either case) production of a grant of representation. A receipt given by the person to whom payment is made shall be a valid discharge to the Trustee as though the receipt had been given by the executors or administrators of the deceased's estate.

#### 43.4 **Mental incapacity**

Where under the Rules a pension may, at the Member's option or on his application or with his consent, be brought into payment or commuted in whole or part for a lump sum, the Trustee may bring the pension into payment and/or so commute the pension without the Member exercising that option or so applying or giving his consent if:

- (A) the Member's earning capacity is destroyed or seriously impaired by physical or mental infirmity, and
- (B) in the opinion of the Trustee, the Member is incapable of deciding whether it is in his interest to exercise such option or make such application or, as the case may be, give such consent.

#### 43.5 **Bona vacantia**

If an amount becomes payable to the estate of a deceased beneficiary and would (if paid) vest in the Crown, the Duchy of Lancaster or the Duke of Cornwall as *bona vacantia* (or in any state, body or person under analogous laws in any part of the world other than England), the Trustee need not pay that amount but may continue to hold it as a general accretion to the Trust Assets.

#### 43.6 **Payments in foreign currency**

Benefits shall be paid in Sterling, unless in any particular case the Trustee otherwise agrees with the beneficiary. If a benefit is to be paid in a currency other than Sterling, the amount in Sterling of that benefit shall be converted to that other currency at such rate of exchange as the Trustee may from time to time obtain. The cost of such conversion shall be deducted from the benefit otherwise payable.

#### 43.7 **Method of payment**

Benefits shall be paid in such manner as the Trustee determines. The Trustee may at any time require any person entitled to a pension to open and maintain a banking account with a bank which is acceptable to the Trustee. If either the Trustee accedes to the request of a beneficiary for payment to be made in any particular manner or payment is to be made to outside the United Kingdom, such payment shall be made at the risk of the beneficiary concerned.

**43.8 Payment to charities or company**

In respect of any payment to be made under the Scheme to a charity, company, institution or association of persons, (the "Payee"), the receipt of any person who is, or purports to be, a duly authorised officer or employee of the Payee shall be a complete discharge to the Trustee and shall exonerate the Trustee from all further concern or responsibility in relation to that payment.

**43.9 Failure to claim benefit**

No beneficiary shall be entitled to claim any instalment of pension or other benefit to which he is entitled under the Scheme more than 6 years (8 years to the extent such instalment comprises a GMP) after that instalment or other benefit has fallen due for payment.

**43.10 Imprisonment**

This sub-rule 43.10 applies where a person, (the "Pensioner"), is imprisoned on being convicted of one or more offences which are committed before his pension under the Scheme becomes payable and are of a kind referred to in s.92(4), PA 1995 (*Forfeiture, etc.*). It also applies in such other circumstances (if any) as would not contravene the PA 1995.

The Trustee may suspend or reduce any pension otherwise for the time being payable to the Pensioner while he is in prison. If such pension is so suspended or reduced, the Trustee may pay all or any part of the pension which apart for such suspension or reduction would have been payable to the Pensioner to or for the benefit of such one or more, to the exclusion of the other or others, of the Dependants (if any) of the Pensioner as the Trustee from time to time selects.

Notwithstanding the foregoing, if the pension of a Pensioner is so suspended or reduced and it is shown, to the satisfaction of the Trustee, that one or more persons are dependent on the Pensioner, the pension, or, if more than one, the aggregate pension, payable to the Pensioner and such one or more persons must not during the period of suspension or reduction be less than the pension (if any) which would (apart from such suspension or reduction) have been payable to the Pensioner under the GMP Rules.

**43.11 Limitation on death benefits**

Any benefits which (apart from this sub-rule 43.11) would be payable under Rule 9 (*EP/S Plan: Death in Service*), 19.1(A) (*Retirement Plan: Death in Service: RP Members in Pensionable Service - Lump sum*), 20(A) (*Retirement Plan: Death after retirement: Incapacity pensioners – Life assurance*) or 24 (*Life Only Section: Life assurance benefit*) on the death of a Member shall not be payable if, and to the extent that, the liability for such benefits is not insured unless, and to the extent that, the Trustee otherwise determines. In particular, the provision of such benefits is conditional on the Member concerned completing such medical questionnaires, providing such information and undertaking such medical examinations as the insurers may from time to time require. Nothing in this sub-rule 43.11 shall impose an obligation on the Trustee to effect such insurance. This sub-rule 43.11 does not apply to the payment of the proceeds of the Member's Account under Rule 9 (*EP/S Plan: Death in Service*) or any lump sum payable under Rule 35 (AVCs) but otherwise overrides any contrary Rule.

**43.12 Overpayment**

If the amount of any benefit, or instalment thereof, is overpaid, the excess shall be treated as an advance on any other amount which subsequently becomes payable to the recipient unless the Trustee otherwise determines in which case the excess shall be repayable immediately on demand.

44. **Discretionary benefits**

44.1 **Augmentation**

Subject to the payment of such contributions (if any) as the Trustee after consulting the Actuary requires, the Employer may, or the Principal Company, with the Trustee's consent, may:

- (A) augment all or any of the benefits payable under the Scheme to or in respect of any Member, or
- (B) grant Authorised Benefits for or in respect of any present or past Employee.

44.2 **Alternative benefits**

With the consent of the Principal Company and the Member affected, and subject to the Overriding Requirements, the Trustee may provide benefits which are different from those which would otherwise be payable under the Scheme to or in respect of the Member.

45. **Tax**

45.1 **Trustee may deduct tax**

The Trustee may deduct from any amount otherwise payable under the Scheme a sum equal to any tax or duty for which the Trustee is liable or accountable in consequence of such payment.

45.2 **Authorised Benefits**

Despite any contrary Rule, but subject to Rule 59 (*Amendments*):

- (A) subject to sub-paragraph (B), the Trustee shall not deliberately pay any benefit to or in respect of any Member or other individual which is not an Authorised Benefit;
- (B) the Trustee may pay a benefit which is not an Authorised Benefit to or in respect of such a person if required by law to do so or if the Trustee considers that in the circumstances it is appropriate to do so;

where for whatever reason a benefit which is not an Authorised Benefit is paid to or in respect of a Member or other individual, the Trustee may pay any tax, charge, duty, levy or other impost payable by the Trustee as a consequence out of the Trust Assets.

45.3 **Payment conditions**

The conditions (including, in particular, any terms relating to the reduction or termination) on which pensions or other benefits under the Scheme are payable shall be consistent with Part 4 of the FA 2004 and any contrary Rule shall, to the extent necessary, be modified accordingly.

45.4 **Annual Allowance Charge**

- (A) The Trustee shall pay so much, if any, of the annual allowance charge for which a Member is liable which the Trustee is required under FA 2004 to pay and may pay all or part of such charge which the Trustee is not required under that Act to pay but is permitted to do so. Where the Trustee has paid all or part of the annual allowance charge pursuant to this sub-rule 45.4, the benefits (past, present or future) otherwise payable, or prospectively or contingently payable, under the Scheme to or in respect of such Member shall be reduced on such basis as the Trustee determines to be just and reasonable having regard to normal actuarial practice.

- (B) In this sub-rule 45.4 expressions shall, unless the context otherwise requires, have the same meanings as in s.227 to 238 (inclusive), FA 2004 (*Annual allowance charge*).

#### 45.5 Lifetime Allowance Excess Lump Sum

If when any benefit first becomes payable under the Scheme to a Member the Lifetime Allowance is exceeded, the Trustee may commute all or any of the benefits payable, or contingently or prospectively payable, under the Scheme to or in respect of the Member in excess of the Lifetime Allowance for a lump sum to the Member of such amount as the Trustee determines provided that:

- (A) the Member consents in writing to such commutation; and
- (B) the lump sum is paid before the Member reaches age 75.

#### 45.6 Lifetime Allowance Charge

This sub-rule 45.6 applies if the Trustee has paid or is to pay all or part of the lifetime allowance charge for which, under s.217, FA 2004 (*Persons liable to charge*), the Trustee is jointly and severally liable with the individual (to whom the charge relates). The Trustee shall reduce the benefits (present or future) otherwise payable, or prospectively or contingently payable, under the Scheme to or in respect of that individual by such amount as the Trustee determines to reflect the amount of the lifetime allowance charge paid or to be paid by the Trustee. This sub-rule 45.6 does not, however, authorise the reduction of entitlement to a benefit which has not crystallised (within the meaning of Part 4 of the FA 2004), except that in relation to which the lifetime allowance charge arises.

#### 45.7 Restriction on retirement options

The Trustee may restrict the exercise by a Member of any option under the Rules with a view to ensuring that if the Member dies aged 75 or over, paragraphs 16A – 16C, schedule 28, FA 2004 do not result in any part of the pension payable to a Dependant not being treated as a Dependants' Scheme Pension.

#### 45.8 Safeguarding enhanced/fixed protection

- (A) In this sub-rule 45.8 a Member shall be regarded as having Protection if paragraph 12, schedule 36, FA 2004 (*Enhanced protection*), paragraph 14, schedule 18, Finance Act 2011 (*Fixed protection*) or paragraph 1, schedule 22, Finance Act 2013 (*Fixed protection 2014*) applies to the Member or the Member has similar protection under any subsequent legislation.
- (B) This sub-rule 45.8 applies to and in relation to a Member if, but only if, the Trustee is notified in writing that the Member has Protection and shall then override any contrary Rule.
- (C) The benefits (including any accrued rights thereto) payable, or contingently or prospectively payable, under the Scheme to or in respect of a Member who has Protection shall at all times be restricted to the extent necessary to avoid prejudicing such Protection.
- (D) If any contributions are purportedly paid to the Trustee to provide money purchase benefits (within the meaning of the FA 2004) for or in respect of a Member with Protection, such contributions shall not form part of the Trust Assets but instead shall be held outside the trusts of the Scheme by the Trustee on trust for the payer absolutely.
- (E) This sub-rule 45.8 shall after it applies to a Member continue to apply to and in relation to him unless and until, with the consent of the Employer and the Trustee, the Member otherwise elects by notice in writing to the Trustee. If whilst this sub-rule 45.8 applies to a Member (and subject to the immediately preceding sentence) the Member ceases to have

Protection for any reason, this sub-rule 45.8 shall apply as if such Protection had been maintained.

46. **Previous Revenue Limits**

The aggregate pension payable under Rule 20 (*Death after retirement*) or 21.4 (*Leaving Service: Death before retirement and before NRD*) following the death of an RP Member who is a Senior Member or a Board Member shall not exceed the maximum which could have been so paid without contravening the Previous Revenue Limits had those limits continued to apply without alteration.

47. **Equality Act 2010**

(A) If, and to the extent that, any provision would not (apart from this Rule 47) comply with the Non-Discrimination Rule, it shall take effect with such modifications as are necessary to secure compliance by reducing the benefits under it to those applicable to the least favoured Member or other beneficiary but with discretion to the Trustee to increase in any particular case such benefits up to, but not exceeding, those which (apart from this Rule 47) would have applied to the most favoured Member or other beneficiary. In this Rule 47, the term "Non-Discrimination Rule" has the same meaning as under s. 61, Equality Act 2010 and "benefits" includes rights and interests. This Rule 47 takes effect subject to Rule 59 (*Amendments*) but otherwise overrides any contrary Rule.

(B) The Retirement Plan applies differently to different categories of Members. As the Retirement Plan applies to each category of Member it is called a Tier of Benefits. Each Tier of Benefits is closed to Employees as from the date Employees were last admitted to it or, if it was not closed before 30 November 2006, as from 30 November 2006 and shall constitute a separate section of the Scheme for the purposes of the Equality Act 2010.

(C) The Savings Plan as it applies to Employees who joined it before the Fifth Revision Date and who are not Management Employees (as defined in Rule 4.1 (*Joining: Definitions*)) on that date shall also constitute a separate section of the Scheme for that purpose.

48. **Charging benefits with debts to Employer**

48.1 **Definitions**

In this Rule 48:

(A) "**Relevant Debt**" means some monetary obligation due to an Employer and arising out of a criminal or fraudulent act or omission;

(B) "**entitlement, or right**" means an entitlement to a pension under the Scheme or a right to a future pension under the Scheme (where the term "pension" includes any benefit under the Scheme and any part of a pension and any payment by way of pension);

(C) "**person in question**" means the person who owes the Relevant Debt to the Employer;

(D) "**Permitted Maximum**" means the lesser of:

(1) the amount of the Relevant Debt, and

(2) the value of the entitlement, or right, of the person in question. If regulations under s.91(6) (*Inalienability of occupational pension*) or, as applicable, s.93(2), PA 1995 (*Forfeiture by reference to obligation to employer*) are in force, such value shall be determined in the manner prescribed by those regulations. Subject thereto, such value shall be determined by the Actuary;

- (E) **“Excluded Transfer Credit”** means a benefit granted under Rule 36 (*Transfers-in*) except to the extent such benefits are prescribed transfer credits for the purposes of s.91(5)(d), PA 1995 (*Inalienability of occupational pension*) (that is, at the Sixth Revision Date, transfer credits attributable to employment with the same or an associated employer and derived from an occupational pension scheme under which benefits could have been charged or a lien or set-off exercised over them).

#### 48.2 **Benefits charged with Relevant Debt**

The entitlement, or right, of the person in question (except to the extent that it includes Excluded Transfer Credits) shall stand charged with the payment of any Relevant Debt. When such a charge is exercisable, the person in question must be given a certificate showing the amount of the charge and the effect on his benefits. Any benefits which are so charged and are not forfeited under sub-rule 48.3 shall, when they become payable, to the extent that they do not exceed the Permitted Maximum, be paid to the Employer or, if the Employer so decides, be retained in the Scheme to reduce the Employer's future contribution liability. Such payment or retention shall be in satisfaction, or, as the case may be, part satisfaction, of the Relevant Debt.

#### 48.3 **Forfeiture**

- (A) Where a Relevant Debt is owed, the entitlement, or right, of the person in question (other than any benefit, or instalment thereof, which has fallen due for payment) shall, if the Trustee so decides, be forfeited but only to the extent that the value of the benefits forfeited does not exceed the Permitted Maximum. Such value shall be determined in accordance with the PA 1995 and, subject thereto, by the Actuary.
- (B) Where such forfeiture occurs the Trustee shall have the discretion conferred on it by s.93(5), PA 1995 (*Forfeiture by reference to obligation to employer*) (that is, the Trustee may, if it so decides, pay an amount not exceeding the amount forfeited to the Employer). Except to the extent that such payment is made to the Employer, the amount forfeited shall be retained in the Scheme to reduce the Employer's future contribution liability.
- (C) Such forfeiture shall be in satisfaction, or, as the case may be, part satisfaction, of the Relevant Debt. Where such forfeiture is effected, the person in question must be given a certificate showing the amount forfeited and the effect of the forfeiture on his benefits.

#### 48.4 **Dispute**

If there is a dispute as to the amount of the Relevant Debt, no charge or forfeiture under this Rule 48 may be exercised or effected unless the Relevant Debt has become enforceable under an order of a competent court or as a consequence of an award of an arbitrator or, in Scotland, an arbiter appointed (failing agreement between the parties) by the sheriff.

#### 48.5 **Overriding legislation**

This Rule 48 takes effect subject to s.159, PSA (*Inalienability of GMP*) and s.91 (*Inalienability of occupational pension*) and s.93 (*Forfeiture by reference to obligation to employer*) of the PA 1995.

### 49. **Non-assignable**

#### 49.1 **Forfeiture**

In the event that an individual, (the "**Protected Beneficiary**"), assigns or charges any present or future benefit arising under the Scheme or purports or attempts so to do or if any transaction, or purported transaction, occurs in relation to any entitlement or right under the Scheme of the Protection Beneficiary which, by virtue of s.91, PA 1995 (*Inalienability of occupational pension*), is of no effect, benefits (including any future benefits) under the Scheme of the Protected Beneficiary shall be forfeited apart from:

- (A) any benefit, or instalment thereof, which fell due for payment before the occurrence of such event; and
- (B) any benefit payable under the GMP Rules.

Unless and until the Trustee receives written notice of the event causing such forfeiture to cease to be payable and such evidence of that event as it reasonably requires, the Trustee may act on the assumption that no such event has occurred and shall not be liable or accountable to anyone for so doing.

#### 49.2 Discretionary distribution

In relation to any benefit forfeiture by virtue of sub-rule 49.1, the Trustee shall have the discretion conferred on it by s.92(3), PA 1995 (*Forfeiture, etc.*), that is, such benefit may, if the Trustee so determines, be paid to all or any of the following:

- (A) the Member to whom, or in respect of whom, such benefit was, or would have become, payable;
- (B) the Spouse of the Member;
- (C) any dependant of the Member;
- (D) any other person falling within the prescribed class referred to in s.92(3)(d), PA 1995 (*Forfeiture, etc.*) (that class comprising, at the Sixth Revision Date, any person (other than a person mentioned in (A), (B) or (C)) to whom under the Rules the pension was or could have been paid).

#### 49.3 Reinstatement of benefits

The Trustee may, at any time after the occurrence of the event referred to in sub-rule 49.1, determine that benefits shall continue to be payable, or, as the case may be, shall again become payable, as if such event had not occurred but, unless and then only to the extent that the Trustee otherwise decides, no such determination shall have retrospective effect.

#### 49.4 Bankruptcy

The preceding provisions of this Rule 49 apply also to any individual against whom before 6 April 2002 a bankruptcy order was made.

#### 49.5 Scots law

This Rule 49 shall be construed as if s.94(3), PA 1995 (*Sections 91 to 93: supplementary*) had been incorporated in it with any consequential changes.

**PART 9 : TRUSTEE****50. Appointment and removal of Trustee****50.1 Number**

A body corporate may act as sole trustee of the Scheme or jointly with other trustees of the Scheme. Unless a body corporate is for the time being the sole trustee, there shall be at least four trustees of the Scheme. The trustees of the Scheme may act despite any temporary vacancy in their number.

**50.2 Appointment and dismissal**

Subject to sub-rule 50.1, the Principal Company shall have the power, by deed:

- (A) to remove and discharge from office any trustee of the Scheme;
- (B) to appoint one or more new trustees in place of any trustee who for any reason ceases to be a trustee of the Scheme; and
- (C) to appoint (without limitation as to number) an additional trustee or additional trustees of the Scheme.

**50.3 Overriding requirements**

This Rule 50 takes effect subject to s.241 to s.243, PA 2004 (*Requirements for member-nominated trustees and directors*).

**51. Conduct of Trustee business****51.1 Trustee meetings**

If and for so long as there are three or more trustees of the Scheme, the trustees may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, subject to the following:

- (A) decisions may be taken by a majority of the trustees;
- (B) the trustees may, by a determination under s.32(2), PA 1995 (*Decisions by majority*), require not less than the number specified in that determination to be present when any decision is taken by majority; and
- (C) notice of the meeting must, unless it is necessary as a matter of urgency to make a decision, be given to each of the trustees to whom it is reasonably practicable to give such notice (which notice must, unless the trustees otherwise agree, specify the date, time and place of the meeting and be sent to the last known address of each trustee no later than 10 business days before the meeting).

**51.2 Written resolutions**

A resolution in writing signed by all the trustees of the Scheme shall be as effectual as if the resolution had been passed at a meeting of the trustees of the Scheme. The resolution may consist of one or more documents in similar form signed by one or more of the trustees of the Scheme.

52. **Position of Trustee**52.1 **May act notwithstanding interest**

No act (including the making of any decision or the exercise of any power) of the Trustee shall be invalidated or questioned on the ground that any trustee or any director of a corporate trustee had an interest (direct or indirect) in the result of that act. Furthermore, any such trustee or director shall not be required to account for any profit (direct or indirect) derived by him as a consequence of that act provided that either his interest is as a beneficiary under the Scheme or as an employee or director of or shareholder in any of the Employers or he discloses his interest to the Trustee prior to that act occurring.

52.2 **Indemnity**

(A) In this sub-rule 52.2:

(1) **“Trustee”** includes:

- (a) any past or present trustee of the Scheme;
- (b) any past or present director, officer or employee of any past or present trustee of the Scheme; and
- (c) the estate of any person referred to at (a) or (b) above; and

(2) **“professional trustee”** means any trustee of the Scheme whose business, or the business of any company or firm of which he is a director, employee or partner, includes providing a trustee service for a fee.

(B) The Employers shall, to the extent permitted by law, indemnify and keep indemnified on a continuing basis each Trustee and, to the extent that the Employers fail to do so, each Trustee shall, to the extent permitted by law, be indemnified directly out of the Trust Assets against all liabilities (including costs, damages and expenses) which may be brought or made against or incurred by the Trustee in the execution or professed execution of the trusts of the Scheme or in the management, administration or winding-up of the Scheme other than (in any case) liabilities arising from:

- (1) his own wilful default; or
- (2) in the case of a professional trustee, his own negligence.

(C) The liability of the Employers to the Trustee under this sub-rule 52.2 is joint and several. As among themselves, the liability of the Employers shall be in such proportions as they may agree or, in default of agreement, in such proportions as the Trustee determines to be fair and reasonable having regard to the respective contributions paid to the Scheme by the Employers.

(D) The indemnity contained in this sub-rule 52.2 shall not (notwithstanding anything herein to the contrary) extend to:

- (1) any liability to the extent to which that liability is or will be met by insurance; or
- (2) any liability to pay:
  - (a) a fine imposed by criminal proceedings; or

- (b) a sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or
- (3) any liability by any Trustee incurred in defending criminal proceedings in which the final decision in the proceedings is that the Trustee is convicted (where the reference to "final decision" in the proceedings has the same meaning as in s.235, Companies Act 2006 (*Qualifying pension scheme indemnity provision*)).
- (E) This sub-rule 52.2 as it applies to any particular Trustee shall not (notwithstanding anything to the contrary in Rule 59 (*Amendments*)) be amended, abrogated or extended without the consent of that Trustee.

### 52.3 Extent of liability

In addition to any indemnity allowed by law and save as required by law, a Trustee shall not be responsible, chargeable or liable in any manner whatsoever for:

- (A) any loss of, or any depreciation in, or default upon, any of the assets or money comprising the Trust Assets or for any delay which may occur from whatever cause in investing or laying out the same,
- (B) the safety of any securities or documents of title deposited for safe custody,
- (C) the exercise or purported exercise of or the failure to exercise any power or discretion vested in the Trustee, or
- (D) any other act, omission, neglect or default,

unless, in any case, due to, or arising out of, his own wilful default or, in the case of a professional trustee, his own negligence. In this sub-rule 52.3, "Trustee" and "professional trustee" shall have the same meanings as in sub-rule 52.2. The provisions of this sub-rule 52.3 shall not (notwithstanding anything in them to the contrary) extend to any liability or loss to the extent to which that liability or loss is, or will be, met by insurance.

## PART 10 : TRUSTEE'S POWERS

53. **Investment provisions**53.1 **Custody of Trust Assets**

Subject to Rules 53.7 (*Commingling*), 54(B) (*Trustee's powers: Nominees*) and 54(C) (*Trustee's powers: Land*), the Trustee shall hold the Trust Assets in its name.

53.2 **General power of investment**

The Trustee may retain in any account (whether current or deposit) such money as the Trustee thinks fit. Subject thereto and as otherwise provided in this Rule 53, the Trustee shall invest, lay out, dispose of or deal with any money or assets forming part of the Trust Assets in any manner whatsoever and wheresoever (whether involving liability or not, whether producing income or not and whether or not authorised by law for the investment of funds of an occupational pension scheme) with the intent that the Trustee shall have the same unrestricted powers of investing, laying out, disposing of and dealing with such money or assets in all respects as if the Trustee were absolutely entitled to them beneficially.

53.3 **Specific powers of investment**

Without prejudice to the generality of sub-rule 53.2 but subject as otherwise provided in this Rule 53, the Trustee may invest or lay out all or any part of the Trust Assets in all or any of the following:

- (A) in any policies effected with an Insurer upon terms that all sums payable under such policies shall be held upon trust for the purposes of the Scheme;
- (B) in any interest in any property or asset (whether real or personal, whether tangible or not) including, but without limitation, stocks, shares, debentures, units in unit trusts, exempt funds or mutual funds and commodities;
- (C) for a purpose permitted under The Occupational Pension Schemes (Investment) Regulations 2005, in acquiring, selling or entering into any derivative instruments including, without limitation, contracts for differences, financial futures, commodity futures, forward interest rate agreements, interest rate, currency and equity swaps and options to acquire or dispose of any of the foregoing including, without limitation, options on currency and on interest rates;
- (D) by placing the same in any deposit or current account with any local authority, bank, insurance company, building society or finance company at such rate of interest (if any) and upon such terms as the Trustee thinks fit;
- (E) by participating in any scheme of deposit administration by any insurance company;
- (F) by making loans (with or without security) to any person at such rate (if any) of interest and upon such terms as the Trustee determines;
- (G) by applying any (or all) the Trust Assets with a view to tracking any particular index or indices;
- (H) by acquiring any investment (including units in exempt funds) usually available to the trustees of Registered Pension Schemes.

#### 53.4 Borrowing

The Trustee may borrow but only for the purposes of providing liquidity for the Scheme and then only on a temporary basis. This sub-rule 53.4 takes effect subject to s.182 to s.185, FA 2004 (*Borrowing*).

#### 53.5 Power to enter into any lawful transaction

In addition to the powers vested in it by sub-rules 53.2 and 53.3 but subject to Rule 53.6, the Trustee, with the Principal Company's consent, may:

- (A) give indemnities or undertakings;
- (B) improve, repair and develop land or other property;
- (C) underwrite or sub-underwrite the subscription of any stocks, shares, debentures or other securities;
- (D) charge all or any part of the Trust Assets with the due repayment of, and the payment of interest on and expenses in connection with, any moneys borrowed by the Trustee or as security for the due performance of any other obligation of the Trustee;

and, with like consent, may enter into any other lawful transaction or undertake any other lawful activity which, in either case, is not otherwise authorised by the Rules or by law but would, in the opinion of the Trustee, benefit the Scheme.

#### 53.6 Restriction on investments

- (A) The Trustee's power under this Rule 53 is subject to s.40, PA 1995 (*Restriction on employer-related investments*) and to the Occupational Pension Schemes (Investment) Regulations 2005.
- (B) Also, except in the case of any investment in units in unit trusts, exempt funds or mutual funds, the Trustee shall not:
  - (1) invest in any stocks, shares, debentures or debenture stocks of any member of the Group (as defined below);
  - (2) make loans to any member of the Group or to any of the Members or other beneficiaries under the Scheme;
  - (3) guarantee any loans to any member of the Group or to any of the Members or other beneficiaries under the Scheme;
  - (4) underwrite, sub-underwrite or guarantee the subscription of any stocks, shares, debentures or debenture stocks of any member of the Group;
  - (5) permit any property (other than land) forming part of the Trust Assets to be used for the purposes of any business carried on by any member of the Group;
  - (6) permit any land forming part of the Trust Assets to be occupied or used by, or subject to a lease in favour of, any member of the Group save where such occupation, use or lease, in the opinion of the Trustee acting on independent professional advice, is (i) on commercial "arm's length" terms, (ii) incidental to the holding of the land in question and (iii) does not relate (either in terms of size or value) to more than 10% of the land;

- (7) lend or enter into any sale and repurchase or exchange of any Trust Assets (not in the form of cash) whether overnight or for a longer or shorter period; or
  - (8) save where the debentures, debenture stock, loan stock, bonds, certificates of deposit and other instruments creating or acknowledging the indebtedness are listed on any recognised stock exchange of repute (inside or outside the United Kingdom) and save for deposits with any bank, local authority, building society or other financial institution, make unsecured loans to any company or individual.
- (C) If any investment or application forming part of the Trust Assets becomes contrary to the foregoing provisions of paragraph (B) by virtue of a company acquisition, amalgamation or similar exercise, the Trustee shall be deemed not to have acted in breach of trust so long as the contravention ceases within 12 months of its coming to the notice of the Trustee.
- (D) In this sub-rule 53.6, "Group" means the Employers and every company which is connected (directly or indirectly) with all or any of the Employers. For this purpose two companies are directly connected if one is a subsidiary or subsidiary undertaking of the other and two companies are indirectly connected if they form part of a number of companies which can be so arranged to form a chain of companies of which each link is a subsidiary, subsidiary undertaking, holding company or parent undertaking of the next link in the chain. For this purpose "subsidiary" and "holding company" shall have the same meanings as in s.1159, Companies Act 2006 (*Meaning of "subsidiary" etc.*), "subsidiary undertaking" and "parent undertaking" shall have the same meanings as in s.1162 of that Act (*Parent and subsidiary undertakings*) and "company" includes an undertaking.

### 53.7 **Commingling**

Notwithstanding any contrary Rule, the Trustee may, with the Principal Company's consent, commingle all or any the Trust Assets with the assets of any other fund, scheme or arrangement approved by HMRC for these purposes. In connection with any commingling, the Trustee may enter into such arrangements as it thinks fit for the appointment of one or more investment managers of the commingled assets.

### 53.8 **General management powers**

In the management or administration of any property forming part of the Trust Assets, the Trustee may effect, or concur in effecting, any sale, lease, mortgage, charge, standard security, release, purchase, investment, acquisition, expenditure or other disposition, contract or transaction whatsoever not otherwise authorised which a person absolutely and beneficially entitled would have had power to effect or to concur in effecting.

### 53.9 **Fund manager**

- (A) The Trustee may appoint one or more fund managers to whom s.34(3), PA 1995 (*Powers of investment and delegation*) applies and may remove any such fund manager (with or without appointing a replacement). The Trustee shall take all reasonable steps to ensure compliance with s.47(2), PA 1995 (*Professional advisers*).
- (B) The Trustee, with the Principal Company's consent, may also appoint one or more other fund managers and may remove any such fund manager so appointed (with or without appointing a replacement).
- (C) The appointment of any fund manager under this sub-rule 53.9 shall be on such terms as to remuneration, sub-delegation, resignation, liability and otherwise as the Trustee from time to time decides.

## 53.10 Member's choice re Member's Account/AVC Fund/Transfer Fund

- (A) This sub-rule 53.10 applies severally to:
- (1) the money and assets from time to time comprising the Member's Account of a Member;
  - (2) the money and assets from time to time comprising the AVC Fund of a Member; and
  - (3) the money and assets from time to time comprising the Transfer Fund of a Member;
- (and in this sub-rule 53.10 the money and assets from time to time comprising the Member's Account, AVC Fund or, as the case may be, the Transfer Fund of a Member are called the "Assets").
- (B) Where the Trustee gives a Member any options with regard to the way in which the Assets are invested:
- (1) the Member may from time to time exercise any of those options (such options may be exercised in different ways with regard to different portions of the Assets);
  - (2) subject to sub-paragraph (3) and (4), the Trustee shall:
    - (a) give effect to any due exercise of any option as soon as reasonably practicable after the same is made; and
    - (b) thereafter continue to give effect to the same until that exercise of the option is countermanded by the Member giving due notice to the Trustee (with or without duly exercising another option in its stead);
  - (3) The Trustee may, with or without providing a replacement, withdraw any option at any time for the investment of funds already held and for the investment of future contributions or for either of those purposes or for any other purposes. If an option is withdrawn or otherwise ceases to be available for any purpose, any Member who had selected that option for that purpose and who does not select another option to take its place shall be deemed to have selected for that purpose whichever of the available options as the Trustee determines to be the nearest equivalent; and
  - (4) the Trustee shall cease to be bound to give effect to, or, as the case may be, to continue to give effect to, the due exercise of an option if:
    - (a) it is shown, to the satisfaction of the Trustee, that by reason of any physical disability or mental incapacity the Member is unable to manage his own affairs (the written opinion of a qualified medical practitioner may be accepted by the Trustee as conclusive of this fact);
    - (b) the Trustee is notified of the Member's death (the Trustee may refuse to accept any such notification unless it is accompanied by the death certificate);
    - (c) to give effect, or, as the case may be, to continue to give effect, to the exercise of that option would, or, in the opinion of the Trustee, might, breach any applicable law, regulation or requirement; or
    - (d) the occurrence of some event or circumstance is brought to the attention of the Trustee which makes it (in its opinion) inappropriate to continue to follow the Member's directions.

- (C) Any Assets in relation to which the Member has not for the time being exercised any of the options referred to in paragraph (B) shall be invested in such one or more investment arrangements as the Trustee selects as the default fund for the Scheme generally. The Trustee may from time to time change the investment arrangements which constitute the default fund.
- (D) For the purposes of this sub-rule 53.10 an option shall be regarded as having been duly exercised and a notice shall be regarded as having been duly given if:
- (1) the notice is in such form and in accordance with such requirements as the Trustee from time to time prescribes, and
  - (2) it is signed, or purportedly signed, by the Member,
- or otherwise it is in such form as the Trustee accepts.

#### 54. Trustee's powers

In addition to all powers vested in trustees by law, the Trustee shall have the following powers:

- (A) **Delegation** - save as provided in Rule 53.9 (*Investment provisions: Fund manager*) and s.34(2)(a), PA 1995 (*Powers of investment and delegation*), to delegate, either generally or for any particular purpose, to any person any or all of its powers or discretions (including, but without limitation, the formation of any opinion, the power to sub-delegate and authority to sign any document) upon such terms as to remuneration, liability or otherwise as the Trustee decides. The production of the Trustee's written authority shall be sufficient protection to any third party acting on such authority in good faith and without negligence. Unless a third party has received written notice of the authority having been revoked, he shall be entitled to assume and to act upon the assumption that the authority remains unrevoked;
- (B) **Nominees** - to hold all or any part of the Trust Assets in the name of any nominee or nominees upon such terms as to remuneration, liability or otherwise as the Trustee decides;
- (C) **Land** - while the Trustee is a single company which is not a Trust Corporation (as defined in s.68, Trustee Act 1925 (*Definitions*)), to hold those parts of the Trust Assets which are freehold or leasehold land or premises in the joint names of the Trustee and another person subject to the Trustee and such other person entering into a declaration of trust that they hold the said land or premises in trust for the Scheme;
- (D) **Administration** - in connection with the administration and management of the Scheme, to employ or engage the service of any person upon such terms as to remuneration, liability or otherwise as the Trustee decides;
- (E) **Advisers** - to employ and retain such lawyers, accountants, actuaries or other professional or financial experts or other advisers as the Trustee thinks fit. The Trustee may rely and act on the information and advice of any such expert or adviser or refrain from so acting. Save as provided in s.47, PA 1995 (*Professional advisers*), the Trustee may do so whether or not it appointed the adviser. If, in good faith, the Trustee so acts, or refrains from so acting, the Trustee shall not be liable for the consequences of doing so;
- (F) **Bank accounts** - to authorise any person to open and operate bank accounts, including the drawing and endorsing of cheques;
- (G) **Custody of documents** - to place, or permit any nominee appointed by, or on behalf of, the Trustee to place, all the deeds and other documents certifying, representing or constituting the title to any of the Trust Assets in any safe or receptacle selected by the Trustee or with any bank or banking company or solicitor or firm or person of good repute.

## Trustee's Powers

The Trustee may also make such arrangements as it thinks fit for allowing solicitors, accountants, actuaries or other professional persons employed by the Trustee, the Principal Company or any of the Employers to have access to, or possession of, any such title deeds and other documents as the Trustee thinks fit;

- (H) **Receipts and discharges** - to authorise any person to give receipts and discharges for any money or property payable, deliverable or transferable to the Trustee. Every such receipt or discharge shall be as valid and effectual as if it had been given by the Trustee. The production of the Trustee's written authority to give any such receipt or discharge shall be sufficient protection to any person taking such receipt or discharge in good faith and without negligence and, unless such person shall have received express notice in writing of revocation of such authority, he shall be entitled to assume and to act upon the assumption that such authority remains unrevoked;
- (I) **Insurance** - subject to s.256, PA 2004 (*No indemnification for fines or civil penalties*), to take out and maintain such insurance as the Trustee considers prudent including, without limitation, insuring:
- (1) (without limitation as to the amount) any or all of the Trust Assets;
  - (2) the life of any or all the Members upon whose death a benefit is payable;
  - (3) the Trustee and such other persons as the Trustee determines against personal liability in connection with the Scheme;
  - (4) the Scheme against loss arising from a breach of trust;
- (J) **Compromise** - to settle, compromise or submit to arbitration any claims, matters or things relating in any manner to the Scheme or relating to any rights of Members or others under the Scheme;
- (K) **Litigation** - to commence, carry on or defend proceedings (including, but without limitation, investigations and determinations by the Pensions Ombudsman) relating in any way to the Scheme or to the determination of any rights of Members or others under the Scheme; and
- (L) **General** - to do all other things which are not otherwise authorised but which, in the opinion of the Trustee, are necessary or desirable to enable the Trustee to carry out all or any transaction, act, deed or thing arising under, or in connection with, the Scheme.

**PART 11 : FINANCIAL****55. Accounts****55.1 Accounts and audit**

The Trustee shall keep true and full accounts of the Scheme and the Trust Assets. The Trustee shall obtain, within seven months after the end of each Accounting Year, audited accounts and an auditor's statement in accordance with the Occupational Pension Schemes (Requirement to Obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

**55.2 Auditor: appointment**

Subject to s.47(1), PA 1995 (*Professional advisers*), the Trustee shall appoint and may, from time to time and at any time, remove or replace the auditor, who shall be a person qualified to act as an auditor under regulation 4, Occupational Pension Schemes (Scheme Administration) Regulations 1996 (*Qualifications and experience or approval required for appointment as the auditor or actuary*). Any appointment under this sub-rule 55.2 shall be on such terms as to remuneration, liability or otherwise as the Trustee may from time to time agree with the person concerned.

**55.3 Accounting Year**

In this Rule 55, "Accounting Year" means a period of 12 months commencing on each 1 October, or such other 12-month period as the Trustee may from time to time select. It includes if the Trustee selects a period, (the "new accounting year"), to replace a previously selected period, (the "old accounting year"), a period exceeding six months but not exceeding 18 months between the last old accounting year and the first new accounting year.

**56. Actuarial****56.1 Qualification**

The person or firm appointed as the Actuary must be:

- (A) a Fellow of the Institute and Faculty of Actuaries (or of any successor body); or
- (B) otherwise permitted to be so appointed under the PA 1995.

**56.2 Appointment**

- (A) Subject to s.47(1), PA 1995 (*Professional advisers*), the Trustee shall appoint an individual to be the Actuary and may from time to time remove or replace the individual so appointed.
- (B) In addition, the Trustee, with the Principal Company's consent, may appoint a company or firm which provides actuarial services to carry out any (or all) of the functions of the Actuary which do not by law have to be carried out by the Actuary personally. The Trustee may at any time remove the company or firm so appointed.
- (C) Any appointment under this sub-rule 56.2 shall be on such terms as to remuneration, liability or otherwise as the Trustee may from time to time agree with the individual, company or firm concerned.

**56.3 Actuarial review**

At least once in every three years, or otherwise as is consistent with the Overriding Requirements, the Trustee shall instruct the Actuary to investigate and, after consulting the Trustee and the Principal Company, to:

- (A) report in writing to the Trustee on the financial position of the Scheme; and
- (B) recommend the rates of contributions to be paid to the Scheme by the Employers thereafter.

For the purposes of such investigation the Trustee and the Employers shall supply all accounts and data to the Actuary as the Actuary may reasonably request.

**56.4 Statutory funding requirements: Employer's representative**

For the purposes of s.229, PA 2004 (*Scheme Funding: Matters requiring agreement of employer*) William Hill PLC is nominated to act as the employers' representative (where employer has the same meaning as in that section).

**57. Employers' contributions****57.1 Liability to pay**

The Employers shall pay such contributions to the Scheme as are necessary to provide the benefits under the Scheme. The Principal Company, after consulting the Actuary and the Trustee, shall from time to time determine the rate at which the Employers pay such contributions. This sub-rule 57.1 takes effect subject to Part 3, PA 2004 (*Scheme Funding*). Different rates may apply to different Employers. The liability of the Employers under this sub-rule 57.1 is in addition to any liability to contribute under Rule 6 (*EP/S Plan: Employer Contributions*).

**57.2 Termination**

Any of the Employers may, at any time, terminate its liability to contribute to the Scheme by giving notice in writing to the Trustee of its intention to do so. On the expiry of that notice, the provisions of Rule 60.2 (*Associated Employers: Ceasing to participate*) or, as applicable, Rule 62 (*Termination*) shall apply.

**58. Expenses**

All costs, charges and expenses of or incidental to the establishment, administration and winding-up of the Scheme (including the remuneration of any trustee of the Scheme or of any delegate, agent, nominee or adviser) shall be defrayed by the Trustee out of the Trust Assets.

**PART 12 : AMENDMENTS**

59. **Amendments**

- (A) The Principal Company may, by deed, with the consent of the Trustee, amend, extend or abrogate all or any of the provisions of the Trust Deed or the Rules and any such amendment may have retrospective effect.
- (B) This Rule 59 takes effect subject to Rule 52.2 (*Position of Trustee: Indemnity*) and to s.37, PSA (*Alteration of rules of contracted-out schemes*) and to s.67 to s.67 I, PA 1995 (*The subsisting rights provisions*).
- (C) The Principal Company is hereby nominated to act as the employers' representative for all and any of the purposes of The Occupational Pension Schemes (Modification of Schemes) Regulations 2006.

## PART 13 : EMPLOYERS

60. **Associated Employers**60.1 **Inclusion in Scheme**

If a company, (the "New Employer"), wishes to become an Employer and covenants by deed with the Trustee to comply with the provisions of the Trust Deed and Rules as those provisions apply to an Employer not being the Principal Company, the Principal Company may, by deed, admit the New Employer to participation in the Scheme as one of the Employers and may do so with retrospective effect. The Trust Deed and Rules shall apply to the New Employer and its Employees and former Employees subject to any special terms or conditions which the Principal Company, with the Trustee's consent, stipulates in the deed by which the New Employer becomes an Employer.

60.2 **Ceasing to participate**

- (A) Subject as provided below in this sub-rule 60.2, an Employer (not being the Principal Company) shall cease participating in the Scheme on the happening of any one or more of the following events:
- (1) the expiry of any notice given to the Trustee by the Employer under Rule 57.2 (*Employers' contributions: Termination*);
  - (2) the Employer fails to remedy any breach of its obligations under the Trust Deed and Rules within 30 days (or such longer period as the Trustee allows) from the receipt of a written notice from the Trustee of such breach;
  - (3) the Employer goes into liquidation (within the meaning of s.247(2), Insolvency Act 1986 (*"Insolvency" and "go into liquidation"*));
  - (4) the appointment of a receiver over the whole, or any part, of the assets of the Employer;
  - (5) the Principal Company gives notice to the Trustee that the Employer's participation in the Scheme is to cease; or
  - (6) the Employer ceases to be in the same Group as the Principal Company (where "Group" means a holding company and its subsidiaries and "holding company" and "subsidiary" have the same meanings as in s.1159, Companies Act 2006 (*Meaning of "subsidiary" etc.*)).
- (B) If any of those events occur the Trustee may, at the request of the Employer and with the consent of the Principal Company, permit the Employer to continue participating in the Scheme:
- (1) as if that event had not occurred; or
  - (2) on a temporary basis for so long as the Trustee, with the Principal Company's consent, decides. On the expiry of any such period of temporary participation, the Trustee may, at the request of the Employer and with the Principal Company's consent, permit the Employer to continue participating in the Scheme as if the event referred to above had not occurred but otherwise the Employer shall cease participating in the Scheme.
- (C) On an Employer ceasing to participate in the Scheme:

## Employers

- (1) the Employer shall pay such contributions (if any) as the Trustee, on the advice of the Actuary, may determine as being necessary to provide the benefits under the Scheme for or in respect of the Employees and former Employees of the Employer, no account being taken for this purpose of Rule 61 (*Augmentation on transfer of undertaking or Employer ceasing to participate*);
  - (2) save for any contributions then accrued but unpaid or arising under (1) above and save as provided in s.75 and s.75A, PA 1995 (*Deficiencies in the assets and Deficiencies in the assets: multi-employer schemes*), the Employer shall have no further liability to contribute to the Scheme; and
  - (3) the Members then in Service shall be deemed to have left Service of their own volition. Benefits shall (subject to Rule 61 (*Augmentation on transfer of undertakings or Employer ceasing to participate*)) be payable under the Rules accordingly except that:
    - (a) no benefits shall be paid to a Member before the earlier of his actually ceasing to be in Service and the day before he reaches age 75 unless in any particular case the Trustee and the Principal Company otherwise decide or the Overriding Requirements dictate; and
    - (b) a Member shall not be treated as leaving Service as above if he enters an employment with another Employer within such period (if any) as the Principal Company decides and the Trustee agrees, subject to the Overriding Requirements.
- (D) On or at any time after the Employer ceases to participate in the Scheme and in relation to such of the Employees and former Employees of that Employer as the Trustee decides and the Principal Company approves, the Trustee may, with the consent of the Principal Company, apply such part of the Trust Assets as the Trustee decides and the Principal Company approves in accordance with Rule 62.4 (*Termination: Procedure on termination*). The Trustee shall also have the powers set out in Rules 62.2(C) (*Termination: Alternatives to termination - Paid up scheme*), 62.7 (*Termination: Transfers*) and 62.8 (*Termination: Refunds of contributions*) in relation to that part of the Trust Assets.

### 60.3 Section 75: Apportionment

Where a relevant event or an employment cessation event for the purposes of s.75 or s.75A, PA 1995 (*Deficiencies in the assets and Deficiencies in the assets: multi-employer schemes*) occurs in relation to an Employer, has occurred or will or may occur in the future:

- (A) the Trustee and the Principal Company and such, if any, of the Employers as may be appropriate may enter into arrangements or agreements as provided for under the Occupational Pension Schemes (Employer Debt) Regulations 2005 so that the Employer's share of the difference for the purposes of regulation 6(1)(e) of those regulations is not the liability share (as defined in regulation 2(1) of those regulations); or
- (B) the Trustee may enter into a flexible apportionment arrangement (within the meaning of those regulations) in relation to such Employer with one or more other Employer or Employers.

### 60.4 Gibraltar

If any treaty or the like is made pursuant to which Gibraltar is to become a European employer, WHG (International) Limited shall forthwith and in any event before Gibraltar becomes a European employer cease to participate in the Scheme and obtain a discharge from all and any liability under s.75 or s.75A, PA 1995 (*Deficiencies in the assets and Deficiencies in the assets: multi-employer schemes*). On WHG (International) Limited ceasing to participate in the Scheme, the provisions of

sub-rules 60.2(C) and 60.2(D) and sub-rule 60.3 shall apply. In this sub-rule 60.4, “European employer” has the same meaning as in s.287, PA 2004 (*Occupational pension schemes receiving contributions from European employers*).

## 61. Augmentation on transfer of undertakings or Employer ceasing to participate

### 61.1 Definitions

In this Rule 61:

- (A) “undertaking” includes any trade or business, or any part of any trade or business, carried on, in any case, by any one or more of the Group Companies;
- (B) “transfer” includes a transfer effected by sale or by some other disposition or by operation of law and whether effected by a single or what amounts (in the opinion of the Trustee) to a series of transactions. Where the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply in relation to a transfer, that transfer shall be deemed to take place at the same time as (in the opinion of the Trustee) the transfer takes place for the purposes of those regulations. Subject thereto, if the transfer is (in the opinion of the Trustee) effected by a series of transactions, the transfer shall be deemed to take place on such date as the Trustee decides but that date may be neither earlier than the date of the first such transaction being agreed nor later than the date of the last one being completed;
- (C) “Group Company” means any company for the time being within the Group;
- (D) “Group” means the Employers and every company which for the time being is connected (directly or indirectly) with all or any of the Employers. For this purpose two companies are directly connected if one is a subsidiary or subsidiary undertaking of the other and two companies are indirectly connected if they form part of a number of companies which can be so arranged to form a chain of companies of which each link is a subsidiary, subsidiary undertaking, holding company or parent undertaking of the next link in the chain. In this definition “subsidiary” and “holding company” shall have the same meanings as in s.1159, Companies Act 2006 (*Meaning of “subsidiary” etc.*), “subsidiary undertaking” and “parent undertaking” shall have the same meanings as in s.1162 of that Act (*Parent and subsidiary undertakings*) and “company” includes an undertaking;
- (E) “Affected Member” means, as this Rule 61 applies following:
- (1) the transfer of an undertaking, an RP Member:
    - (a) who at the time of a transfer of an undertaking is (in the opinion of the Trustee) both employed (whether by the transferor of the undertaking or not) in that undertaking and in Pensionable Service and whose Pensionable Service ceases on such transfer being effected; or
    - (b) whose Service is terminated by the Employer (whether the transferor of the undertaking or not) while the RP Member is in Pensionable Service for a reason connected with a transfer of an undertaking and neither earlier than 180 days before, nor later than 180 days after, the date of such transfer (the opinion of the Trustee whether the Service of an RP Member is so terminated for such a reason and as to the date of such transfer shall, in the absence of manifest error, be conclusive);
  - (2) one of the Employers, (the “Ceding Employer”), ceasing to participate in the Scheme, an RP Member:
    - (a) who is deemed by Rule 60.2 (*Associated Employers: Ceasing to participate*) to leave Service on the Ceding Employer ceasing to participate in the Scheme; or

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- (b) whose Service is terminated by the Employer (whether the Ceding Employer or not) for a reason connected with the event or events (whether the sale of the Ceding Employer, the closure of one or more of its undertakings or otherwise) which leads to the Ceding Employer ceasing to participate in the Scheme and such termination occurs, neither:
  - (i) earlier than 180 days before the date upon which the Ceding Employer ceases to participate in the Scheme unless before that date a Relevant Event occurs in which case 180 days before the date upon which that Relevant Event occurs; nor
  - (ii) later than 180 days after the date upon which the Ceding Employer ceases to participate in the Scheme;

(the opinion of the Trustee whether the Service of an RP Member is so terminated for such a reason and as to the event or events leading to the Employer ceasing to participate in the Scheme shall, in the absence of manifest error, be conclusive);

(F) **“Relevant Event”** means, in relation to any of the Employers:

- (1) the Employer ceasing to be a member of the Group; or
- (2) if while not a member of the Group the Employer becomes an Employer for a reason connected (in the opinion of the Trustee) with the transfer to that Employer of an undertaking in which RP Members are or become employed, the said transfer of that undertaking;

(G) **“Specified Assumptions”** means, in relation to an RP Member, those of the Actuarial Assumptions which are applicable to the calculation of the capital value of the benefits payable to or in respect of an RP Member who has ceased to be in Pensionable Service, where **“Actuarial Assumptions”** has the same meaning as in the definition of **“Past Service Reserve”** as it applies to the RP Member;

(H) **“Calculation Date”** means, in relation to an RP Member, the day next following the last day of Pensionable Service.

### 61.2 Augmentation

If, either:

- (A) a Group Company transfers an undertaking to another person and that other person is neither one of the Employers nor, by the date which is 28 days after the date of that transfer, becomes an Employer with effect from no later than the time of that transfer, or
- (B) an Employer ceases to participate in the Scheme in accordance with Rule 60.2 (*Associated Employers: Ceasing to participate*),

then the benefits otherwise payable to or in respect of the Affected Members shall be augmented so that, after such augmentation, the capital value, as at the Calculation Date, of the benefits payable to or in respect of the Affected Members is equal to the lesser of:

- (1) the aggregate of the Past Service Reserves for all the Affected Members; and
- (2) such amount as the Actuary estimates bears the same proportion at the Calculation Date to the whole of the Trust Assets as the aggregate of the Past Service Reserves for all the Affected Members bears to the aggregate of the then Past Service Reserves for all the RP Members;

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and, subject thereto, the benefits of the Affected Members shall be augmented in such proportions as the Trustee, in its absolute discretion, determines. For the purposes of this sub-rule 61.2:

- (a) such capital value shall be determined by the Actuary by reference to the Specified Assumptions;
- (b) no account shall be taken of any benefits attributable to any additional voluntary contributions paid by the RP Members (or any of them) to purchase additional benefits calculated on a money purchase basis or of that part of the Trust Assets which is attributable to such contributions; and
- (c) no account shall be taken of the Members' Accounts or of the benefits payable under the Employee Pension Plan or the Savings Plan.

## PART 14 : TERMINATION

### 62. Termination

#### 62.1 **Events leading to termination**

Subject to sub-rule 62.2, the Scheme shall terminate upon the happening of any of the following events:

- (A) the expiry of any notice given to the Trustee by the Principal Company pursuant to Rule 57.2 (*Employers' contributions: Termination*);
- (B) the Principal Company goes into liquidation (within the meaning of s.247(2), Insolvency Act 1986 (*"Insolvency" and "go into liquidation"*)) or the appointment of a receiver over the whole, or any part, of the assets of the Principal Company (unless, in either case, another company becomes the Principal Company pursuant to Rule 64 (*Change in Principal Company*)); and
- (C) if, in the opinion of the Trustee after consulting with the Actuary, the value of the Trust Assets is less, or is likely within the next year to become less, than the value of the liabilities under the Scheme (calculated in the case of a Member in Service as if he had left Service) and the Trustee resolves to terminate the Scheme.

#### 62.2 **Alternatives to termination**

Upon the happening of any one or more of the events referred to in sub-rule 62.1, the Trustee shall have all or any of the following powers:

- (A) power, with the Principal Company's consent, to continue the Scheme as if that event had not occurred;
- (B) power, with the Principal Company's consent, to continue the Scheme on a temporary basis for so long as the Trustee, with the Principal Company's consent, decides. On the expiry of any such period of temporary continuation, the Trustee may, with the Principal Company's consent, continue the Scheme as if the event referred to in sub-rule 62.1 had not occurred but otherwise the Scheme shall terminate, subject to (C), (D) and (E) below;
- (C) power to defer the termination of the Scheme. During the period of deferment no further person may join the Scheme, no further contributions shall (subject as provided in sub-rule 62.3) accrue but benefits shall be paid out as and when they fall due. Such benefits shall be calculated as if the Members then in Service had left Service of their own volition on the happening of that one or more of the events referred to in sub-rule 62.1 unless the Scheme is continued on a temporary basis pursuant to (B) above in which event such benefits shall be calculated as if the Members then in Service left Service on the expiry of that period of temporary continuation. Notwithstanding the foregoing but subject to Rule 30 (*Flexible retirement*), unless either the Trustee otherwise decides or the Overriding Requirements dictate, no benefits shall be paid to a Member before the Member actually ceases to be in Service or reaches the day before his 75<sup>th</sup> birthday, if earlier. The Trustee may at any time during the period of deferment exercise the power under regulation 5 of The Occupational Pension Schemes (Winding Up) Regulations 1996 (*Modification of schemes to fix time for settling priority for liabilities on winding up*);
- (D) power to enter into an agreement with another company under Rule 64 (*Change in Principal Company*) by which that other company becomes the Principal Company under the Scheme; and

- (E) power generally to make such arrangements in relation to the Scheme as the Trustee thinks fit, subject to the Overriding Requirements.

### 62.3 Position on termination

- (A) On the Scheme terminating benefits shall cease to accrue under the Scheme.
- (B) The Employers shall pay such additional contributions and in such proportions as the Trustee, on the advice of the Actuary, may determine as being necessary to secure the liabilities referred to in sub-rule 62.4(C) without reduction pursuant to the last subparagraph thereof.
- (C) Rules 52 (*Position of Trustee*) and 59 (*Amendments*) shall continue in full force and effect. For the avoidance of any doubt, Rule 65 (*Repayment of surplus*) shall cease to apply.
- (D) The date upon which the Scheme terminates is called the "Termination Date".
- (E) Where the payment of the expenses incurred in the winding-up of the Scheme will result in benefits for or in respect of the RP Members being reduced, the Trustee may pay such expenses which, in its opinion, are referable to the Employee Pension Plan or the Savings Plan from the money and assets representing the Members' Accounts. The Trustee may apportion the expenses among the Members' Accounts in such manner as the Trustee determines to be fair. Subject thereto, sub-rule 62.4 shall apply on the basis that assets in each of the Members' Accounts shall be used exclusively for the provision of benefits for or in respect of the relevant EPP Member or Saver.

### 62.4 Procedure on termination

Forthwith following and with effect from the Termination Date, and subject as provided in sub-rule 62.2(E), the Trustee shall wind up the Scheme as follows:

- (A) **first** - the Trustee shall reserve out of the Trust Assets funds for the payment of (i) the expenses of administration and of winding-up of the Scheme, (ii) any tax for which the Trustee may be liable or accountable, (iii) the premiums on any insurance effected or to be effected pursuant to Rule 54(I) (*Trustee's powers: Insurance*) and (iv) any outstanding loans;
- (B) **secondly** - the Trustee shall pay all sums due before the Termination Date (including any lump sums in respect of Members who have died within the preceding two years);
- (C) **thirdly** - subject to s.73, PA 1995 (*Preferential liabilities on winding up*) and regulation 5 of The Occupational Pension Schemes (Winding Up) Regulations 1996 (*Modification of schemes to fix time for settling priority for liabilities on winding up*), the Trustee shall secure, to the extent that the Trustee has not already done so, the following liabilities in accordance with sub-rule 62.5, namely:
- (1) where a Member has paid additional voluntary contributions to purchase additional benefits calculated on a money purchase basis:
    - (a) if the Member retired or died prior to the Termination Date, the benefits payable under Rule 35.3 (*AVCs - Money purchase benefits*); and
    - (b) in any other case, such Authorised Benefits as the Trustee secures with the AVC Fund of the Member having regard to any wishes of the Member made known to the Trustee in writing and subject to the Overriding Requirement;

## Termination

- (2) pensions in course of payment on the Termination Date and pensions and other benefits in respect of any RP Member who has reached NRD on the Termination Date but who had not then retired (calculated on the basis that the RP Member retired on the Termination Date);
- (3) equivalent pension benefits (within the meaning of the National Insurance Act 1965);
- (4) GMPs and accrued rights to GMPs for which the Scheme is or may become liable under the GMP Rules and any contributions equivalent premiums payable under the PSA; and
- (5) pension and other benefits accrued under the Scheme (calculated in the case of an RP Member in Service on the Termination Date as if he had left Service on that date of his own volition having satisfied the Qualifying Conditions).

The liability for a pension or other benefit of any person shall be deemed to include any pension or other benefit payable to another on or after the death of that person.

The Trust Assets shall be used to secure the liabilities described in paragraphs (1), (2), (3), (4) and (5) in that order. If the Trust Assets are insufficient to secure the liabilities described in any particular paragraph, the liabilities described in that paragraph shall be reduced proportionately and the liabilities described in the succeeding paragraphs (if any) shall be cancelled;

(D) **lastly** - if after effect has been given to the preceding provisions of this sub-rule 62.4 there are any remaining Trust Assets, (the "Surplus"), then, subject to s.76, PA 1995 (*Excess assets on winding up*):

- (1) the Trustee shall apply that part (or the whole) of the Surplus which does not exceed the aggregate of the Residual Reserves for the RP Members in the provision of additional pension and other benefits for the RP Members in such proportions as the Trustee, in its absolute discretion, determines;
- (2) the Trustee, with the Principal Company's consent, may apply such part (or the whole) of any balance of the Surplus after effect has been given to (1) above in the provision of additional or further additional pension and other benefits for such Member or Members and in such proportions as the Trustee, with the Principal Company's consent, determines; and
- (3) the Trustee shall pay any part of the Surplus not applied as above to the Employers in such proportions as the Trustee shall determine, subject to Rule 45.1 (*Trustee may deduct tax*);

where:

- (a) "**pension and other benefits**" in relation to any Member include pension and other benefits payable on or after the Member's death;
- (b) "**Residual Reserve**" means, in relation to an RP Member, the amount (if any) by which the Past Service Reserve for the RP Member at the Termination Date exceeds the Accrued Liability; and
- (c) "**Accrued Liability**" means, in relation to an RP Member, an amount equal to the capital value at the Termination Date of the benefits secured (or to be secured) pursuant to paragraph (C). Such capital value shall be determined by the Actuary with reference to those of the Actuarial Assumptions which are applicable to the calculation of the capital value of the benefits payable to or in respect of an RP Member who has ceased to be in Pensionable Service, where "**Actuarial**

Assumptions” has the same meaning as in the definition of “Past Service Reserve” as it applies to the RP Member. No account shall be taken of any benefits attributable to any additional voluntary contributions paid by the RP Members (or any of them) to purchase additional benefits calculated on a money purchase basis.

#### 62.5 Securing liabilities

The Trustee shall secure the liabilities referred to in sub-rule 62.4(C) (as increased in accordance with sub-rule 62.4(D)) by the purchase from an Insurer in the name of, or in the names of trustees for the benefit of, the beneficiary concerned of a policy which conforms with the Overriding Requirements. In doing so, the Trustee (a) may vary any particular entitlement if, but only to the extent that, the Trustee considers it necessary or desirable to do so having regard to the terms of policies reasonably obtainable; (b) save to the extent required by the Overriding Requirements, may assume that no marriage will be contracted or dissolved and no children will be born after the Termination Date; (c) shall, so far as practical, arrange for there to be available under the policy the same options as were available under the Scheme; and (d) may assume any person in receipt of a pension under Rule 49 (*Non-assignable*) has an absolute right to that pension.

#### 62.6 Commutation of small pensions

- (A) In the circumstances described in paragraph 10, schedule 29, FA 2004 (Winding-up lump sum), the Trustee may pay a lump sum to a Member in lieu of all other benefits payable under the Scheme to or in respect of the Member.
- (B) In the circumstances described in paragraph 20, schedule 29, FA 2004 (Trivial commutation lump sum death benefit), the Trustee may pay a lump sum to a Dependant of a deceased Member in lieu of the benefits to which the Dependant would otherwise be entitled under the Scheme.
- (C) The Trustee shall determine the amount of the lump sum on a basis certified by the Actuary to be reasonable. The Trustee shall satisfy itself that when the lump sum is paid the benefits payable to or in respect of the Member are at least equal to the then value of the benefits which have accrued to or in respect of the Member under the Rules after effect has been given to the Revaluation Requirements and in lieu of which the lump sum is being paid.
- (D) This sub-rule 62.6 takes effect subject to the GMP Rules.

#### 62.7 Transfers

The Trustee may apply Rule 37 (*Individual transfers-out*), 38 (*Group transfers-out*) or 39 (*Compulsory annuity policies*) in lieu of all or any of the annuities which are otherwise to be provided pursuant to sub-rule 62.4, subject to the Overriding Requirements. The amount of any transfer value (or cash equivalent) paid in respect of any Member shall not be less than the amount which would otherwise be applied in accordance with sub-rule 62.4 to provide the benefits in lieu of which the transfer value (or cash equivalent) is being paid adjusted (upwards or downwards) as certified in writing by the Actuary for investment return from the Termination Date.

#### 62.8 Refund of contributions

Where:

- (A) the Member’s Service terminated before NRD and before he satisfied the Qualifying Conditions,
- (B) he has paid or, by virtue of a transfer to the Scheme, is treated as having paid contributions to the Scheme,

## Termination

- (C) there has been no Benefit Crystallisation Event in relation to the Member and the Scheme, and
- (D) if the Member is an RP Member to whom appendix 2 (*Protected Rights Underpin*) applies, the Member consents to this Rule 62.8 applying to him

then:

- (1) the GMP (if any) shall be provided in accordance with the foregoing provisions of this Rule 62;
- (2) no other benefits shall be provided apart from a refund of the Member's contributions. Any such refund shall be subject to Rule 45.1 (*Trustee may deduct tax*) and paragraphs 1.2(E) and (F) of the GMP Rules (*Guaranteed minimum*).

### 63. **Amalgamation with another scheme**

If the Principal Company agrees, the Trustee may amalgamate the Scheme with another Registered Pension Scheme, subject to the Overriding Requirements. The amalgamation shall be effected by the Trustee transferring the Trust Assets to the trustees or managers of that other scheme on such terms and conditions as the Trustee, with the Principal Company's consent, agrees with the trustees or managers of that other scheme. On the amalgamation being effected, benefits shall cease to be payable under the Scheme. Furthermore, the Trustee shall have no liability or responsibility for the Trust Assets transferred or for the benefits under that other scheme.

## PART 15 : MISCELLANEOUS

64. **Change in Principal Company**

- (A) If a company agrees with the Trustee to undertake the obligations and liabilities of the Principal Company under the Scheme, that company will become the Principal Company for the purposes of the Scheme and the Trust Deed and Rules will take effect accordingly provided that either (a) the existing Principal Company consents to such a change or (b) the company is the holding company (within the meaning of s.1159, Companies Act 2006 (*Meaning of "subsidiary" etc.*)) of the Principal Company in which case the consent of the existing Principal Company will not be required.
- (B) On a change in Principal Company occurring, the company which was previously the Principal Company will be discharged from all future obligations and liabilities under the Scheme as Principal Company but, unless the Trustee agrees otherwise, will remain responsible for all its prior acts or omissions when it was the Principal Company.

65. **Repayment of surplus**

At the behest of the Principal Company but subject to s.37, PA 1995 (*Payment of surplus to the Employer*) and to the payment under this Rule 65 being an authorised surplus payment (within the meaning of s.177, FA 2004 (*Authorised surplus payment*)), the Trustee shall (subject to Rule 45.1 (*Trustee may deduct tax*)) pay or transfer to the Principal Company such part (or the whole) of the Trust Assets as the Principal Company determines provided that the amount (gross before tax) of such payment or transfer is not such as to reduce the value (taking the mid-market price, where applicable) of the Trust Assets referable to the Retirement Plan at the date of such payment or transfer to below 110% of such amount which the Actuary certifies to the Trustee in writing to be the Actuary's estimate (with a margin for error, in the opinion of the Actuary, of no more than 5%) of the sum of the aggregate of the Past Service Reserves for all the RP Members at the date of such payment or transfer.

66. **Contracts of employment**

Nothing in the Trust Deed or the Rules shall be construed as imposing upon any Employer a contractual obligation as between Employer and Employee to contribute, or to continue to contribute, to the Scheme or otherwise to continue the Scheme.

67. **Termination of employment**

Nothing in the Trust Deed or the Rules shall in any way be construed as restricting the Employer's ability to terminate the employment of any Employee or shall be used as a ground for damages, or in the aggravation of damages, in any action, counterclaim or suit brought by the Employee against the Employer.

68. **Cases of doubt**

The Employer shall decide all questions and matters of doubt relating to a person's employment with the Employer (including, but without limitation, his earnings from that employment). All other questions and matters of doubt shall be decided by the Trustee. In either case, any decision so made (whether made upon a question actually raised or implied in the acts or proceedings of the Employer or, as the case may be, the Trustee) shall, in the absence of manifest error, be conclusive.

**69. Powers and discretions****69.1 Exercisable generally or specifically**

Any power or discretion under the Rules may be exercised generally from time to time or specifically in any particular case. Where a power or discretion is exercised generally, the person in whom it is vested may at any time determine that the general exercise of the power or discretion shall not apply in any particular case or shall cease to apply altogether.

**69.2 Employers not under fiduciary duty**

None of the Employers shall be under a fiduciary duty when exercising (or refraining from exercising) any power, right or discretion under the Trust Deed or the Rules except that the Principal Company shall be under such a duty when exercising any power to appoint or remove from office a trustee of the Scheme.

**69.3 How exercised by Employers**

(A) Any right, power or discretion of any of the Employers shall be exercisable only by a resolution of the Board of Directors of that Employer or by a person or committee duly authorised by such a resolution.

(B) For any and all of the purposes of the Scheme, each of the following committees shall be deemed to have delegated authority to exercise any and all of the rights, powers and discretions vested by the Trust Deed or the Rules in the Principal Company and/or any of the other Employers, namely:

- (1) the Company Committee for Pensions of the Principal Company; and
- (2) the Remuneration Committee of William Hill PLC.

**70. Consents etc. to be in writing**

Subject to Rule 71 (*Electronic communications*), all notices, directions, consents and the like to the Trustee by any Employer or Member must be given in writing. The Trustee may, however, dispense with any requirement for writing under this or any other Rule in any particular case.

**71. Electronic communications**

The Trustee may accept and act upon a printout version of any communication to the Trustee by electronic mail or modes of representing or reproducing words in legible form. If the Trustee does so, such communication shall be treated for all and any of the purposes of the Scheme as having been given in writing. This Rule 71 takes effect subject to any statutory requirements.

## APPENDIX 1 : GMPS &amp; EPBS

1. **GMP Rules**1.1 **Contracting out rules**

- (A) The rules, (the "GMP Rules"), contained in this paragraph 1 of this Appendix 1 shall override any other provisions of the Rules or of the Trust Deed which are inconsistent with them except those of Rule 59 (*Amendments*). Despite anything to the contrary in the GMP Rules, the Trustee shall operate the Scheme in conformity with the Contracting-out Requirements.
- (B) In the GMP Rules, words and expressions shall, unless the context otherwise requires, have the same meanings as in the PSA.
- (C) Nothing in the GMP Rules shall prevent the Trustee making arrangements in accordance with the other Rules in respect of any pension for a Member and/or his Spouse which in accordance with the Overriding Requirements may be commuted for a lump sum, suspended, forfeited, transferred or otherwise terminated or varied.
- (D) Subject to sub-paragraph (C), only that part of the pension payable under the Scheme which exceeds that for which the Scheme is or may become liable under GMP Rule 1.2 may be commuted for a lump sum, suspended, forfeited, transferred or otherwise terminated or varied in accordance with the Rules and the Trust Deed.

1.2 **Guaranteed minimum**

- (A) Subject to Chapter III, Part IV, PSA (*Protection of increases in GMPs ("Anti-Franking")*), any entitlement of a Member and/or as the case may be other beneficiary concerned under the GMP Rules shall be inclusive of any entitlement under any of the other Rules or the Trust Deed other than any entitlement arising under paragraph 2 of this appendix 1 (*Equivalent pension benefits*) or the PR Underpin or, unless and to the extent that the Trustee, Principal Company and the Member otherwise agree and the Overriding Requirements permit, Rule 35 (*AVCs*).
- (B) If a Member has a guaranteed minimum in relation to his pension under the Scheme in accordance with s.14, PSA (*Earners guaranteed minimum*) and despite any contrary provisions of the Scheme except any which are consistent with the PSA:
  - (1) the Member shall be entitled to receive from the Scheme from State Pension Age in respect of service before the First Revision Date a pension payable for the remainder of his or her lifetime at a rate equivalent to a weekly rate of not less than that guaranteed minimum;
  - (2) if the Member is male and dies at any time leaving a sole surviving widow, a pension shall be provided for her under the Scheme in respect of the Member's service before the First Revision Date at a rate equivalent to a weekly rate of not less than half that guaranteed minimum; and
  - (3) if the Member is female and dies leaving a sole surviving widower or if the Member (of either sex) leaves a Spouse of the same sex as the Member, a pension shall be provided for him or her under the Scheme in respect of the Member's service before the First Revision Date at a rate equivalent to a weekly rate of not less than half of that part of the Member's guaranteed minimum which is attributable to earnings for the tax year 1988/89 and subsequent tax years up to and including the tax year 1996/97.

- (C) Any GMP referred to in paragraph (B) shall, insofar as attributable to earnings in the tax years from (and including) 1988/89, be increased in accordance with the requirements of ss.109 and 110, PSA (*Annual increase of GMP and Requirement as to resources for annual increase of GMP*).
- (D) If the commencement of the GMP of any Member is postponed for any period, his GMP shall be increased to the extent (if any) specified in s.15, PSA (*Increase of GMP where commencement of GMP postponed*).
- (E) If a Member ceases to be in Contracted-out Membership and the liability to provide the GMP in respect of him is retained under the Scheme, any refund of contributions to which the Member may then or subsequently be entitled shall be subject to such reduction as the Trustee shall consider appropriate to allow for the Member's share of the cost of such provision.
- (F) If a Member ceases to be in Contracted-out Membership and the liability to provide the GMP in respect of him is extinguished by the payment of a contributions equivalent premium, any refund of contributions to which the Member may then or subsequently be entitled shall be subject to such reduction as is permitted under s.61 (*Deduction of contributions equivalent premium from refund of contributions*) and s.62 (*No recovery of state scheme premium from earner etc.*) of the PSA.

### 1.3 Revaluation

Where a Member ceases to be in Contracted-out Membership before State Pension Age, then, subject to GMP Rule 1.4, the Member's GMP at State Pension Age or at his death (if earlier) will be calculated on whichever of the following bases of revaluation the Trustee is for the time being operating:

- (A) that the GMP which has accrued up to such cessation will be increased for each tax year after that in which Contracted-out Membership ceases up to and including the last complete tax year before the earlier of State Pension Age and the date upon which the Member dies by such rate as regulations made under s.16(3), PSA (*Revaluation of earnings factors for purposes of s.14: early leavers etc.*) specify as being relevant to the date of such cessation;
- (B) that the earnings factors for each tax year in that Contracted-out Membership and from which the GMP is derived will be increased in accordance with the last order made under s.148, Social Security Administration Act 1992 (*Revaluation of earnings factors*) to come into force before the tax year in which falls State Pension Age or in which the Member dies (if earlier);
- (C) that the GMP which has accrued up to such cessation shall be increased by whichever of the following results in the lesser increase:
  - (1) 5% compound for each tax year after that in which Contracted-out Membership ceases up to and including the last complete tax year before whichever is the earlier of State Pension Age and the date upon which the Member dies; or
  - (2) the percentage by which the earnings factors are increased in accordance with the last order made under s.148, Social Security Administration Act 1992 (*Revaluation of earnings factors*) to come into force before the tax year in which State Pension Age falls or in which the Member dies (if earlier).

The Trustee may only operate one of the foregoing bases of revaluation at any time, subject as provided below. It may change the basis selected but any change of bases shall not, however, apply to any Member who ceased to be in Contracted-out Membership before the change took effect. Basis (C) is not available in relation to any Member who ceases to be in Contracted-out Membership after 5 April 1997.

#### 1.4 **Transfer of GMP**

Where the liability for the GMP is transferred to or by the Trustee in the circumstances permitted under the Contracting-out Requirements, the Trustee shall operate whichever basis or bases of revaluation as it shall select and is or are consistent with the Contracting-out Requirements.

#### 1.5 **Contributions equivalent premiums**

The Trustee may pay contributions equivalent premiums in respect of a Member or his or her Spouse. If such a premium is paid in respect of a Member or his or her Spouse and the liability of the Scheme to provide the GMP is cancelled, the benefits under the Scheme shall be reduced accordingly.

### 2. **Equivalent pension benefits**

#### 2.1 **Definitions**

In this paragraph 2:

- (A) “**1965 Act**” means the National Insurance Act 1965;
- (B) “**Non-Participating Member**” means a Member who has at any time been in Non-Participating Service;
- (C) “**Non-Participating Service**” means, in relation to a Member, any period before the commencement of membership of the Scheme during which the Member's employment is treated as a non-participating employment under the 1965 Act for the purpose of the Scheme;
- (D) “**EPB**” means the minimum rate of equivalent pension benefits applicable in respect of any period of Non-Participating Service;
- (E) “**State Pension Age**” has the same meaning as in the GMP Rules.

#### 2.2 **Overriding requirement**

Subject to those of Rule 59 (*Amendments*) but despite any contrary provision in the Rules:

- (A) the pension to which a Non-Participating Member shall be entitled from the Scheme from State Pension Age shall not be less than the EPB;
- (B) any provision in the Rules for the reduction or surrender of a Member's pension (including any provision for the making of any option or election which would result in a pension being paid at a lower rate) shall be of no effect if, at the time of the reduction or surrender or of the exercise of the option or election, such provision would cause the pension payable to him from the Scheme from State Pension Age to be less than the EPB save where otherwise permitted under the 1965 Act; and
- (C) that part of the pension of any Member equal to the EPB shall not be capable of being terminated or suspended unless the provisions of the appropriate Rule are within the permitted causes prescribed under the 1965 Act.

## APPENDIX 2 : PROTECTED RIGHTS UNDERPIN

1. **Introduction**

- (A) The Retirement Plan was contracted-out on a money purchase basis in accordance with the PSA throughout the Relevant Period; accordingly, the benefits payable to or in respect of an RP Member in respect of that period must exceed those which can be provided with the PR Assets, as provided in this Appendix 2.
- (B) Sub-paragraph (A) and paragraphs 3, 4, 5 and 6 take effect as on and from 6 April 2012. Up to that date the Protected Rights Rules contained in the 2008 Rules and the other provisions contained in the 2008 Rules relating to Protected Rights (within the meaning of the 2008 Rules) shall have effect as if they were set out in these Rules (with any necessary consequential amendments).

2. **Definitions**

In this appendix 2, unless the context otherwise requires:

- (A) **"2008 Rules"** means the rules of the Scheme adopted by a deed dated 30 June 2008 as amended from time to time but prior to 6 April 2012.
- (B) **"Calculation Date"** means, in relation to a Member, the earlier of:
- (1) the date from which the Member first becomes entitled to the present payment of a pension (or a lump sum in commutation thereof) under the Retirement Plan; and
  - (2) the day next following the Member's death.
- (C) **"PR Assets"** means, in relation to a Member:
- (1) the Trust Assets which at the end of 5 April 2012 represent the Protected Rights Assets of the Member (where Protected Rights Assets have the same meaning as under the 2008 Rules); plus
  - (2) the Trust Assets (before any investment return thereon) representing any age-related payments received after that date; plus
  - (3) the investment return (capital appreciation/depreciation plus income) after that date on the assets referred to in sub-paragraphs (1) and (2) above. Such return may, at the Trustee's discretion, be determined by reference to either the actual return on the assets from time to time representing the PR Assets or such notional return as the Trustee determines.
- (D) **"Relevant Period"** means the period commencing on and including the First Revision Date and ending on and including the day immediately preceding the Fourth Revision Date.

3. **Money Purchase Underpin**

The benefits (before the exercise of any option as to commutation, surrender or the like) payable to or in respect of an RP Member under the Retirement Plan in respect of employment during the Relevant Period must exceed those which the Trustee determines could be secured with the PR Assets if at the Calculation Date the PR Assets were applied to provide:

- (A) where the RP Member becomes entitled to the present payment of a pension under the Retirement Plan, a pension to the RP Member of such amount as the Trustee determines

and as from the RP Member's death a pension to the RP Member's Spouse equal to one-half of the pension which would have been payable to the RP Member had he survived;

- (B) if sub-paragraph (A) does not apply:
  - (1) where the Member is survived by a Spouse, a pension to that Spouse;
  - (2) otherwise, a lump sum death benefit;
- (C) any pensions under sub-paragraphs (A) and (B) shall be payable as from the Calculation Date or, as applicable, the Member's death for the remainder of the recipient's life.

4. **Increase in Payment**

- (A) The pension provided from the PR Assets which are derived from GMPs which have been subject to a transfer payment to the Scheme or payments or contributions in respect of employment in respect of any Tax Year starting on or before 6 April 1996:
  - (1) on a date, (the "first date"), not later than the anniversary of the date on which the pension becomes payable,
  - (2) on each anniversary of the first date,

be increased each year by the same percentage as by which parts of a GMP are increased by the order (if any) made under s.109, PSA (*Annual increase of GMPs*) and coming into force on the first day of the Tax Year in which the date of the increase falls. The pension may (but need not) be on terms that it will increase by a greater amount, but not by more than 3% in any year.

- (B) The pension provided in respect of PRs derived from payments in respect of employment in any Tax Year commencing on or after the First Revision Date must be increased in accordance with Rule 40 (*Pension increases*).

5. **Commutation**

Instead of the PR Assets being used as provided in paragraph 3, the PR Assets may be used to provide a lump sum under Rule 18.1 (*Retirement options: Lump sum*), 41.4 (*Ill-health commutation*), 41.5 (*Commutation of small pensions*) or 62.6 (*Termination: Commutation of small pensions*).

6. **Overriding provisions**

The foregoing provisions of this appendix 2 shall (so far as the law allows) take effect subject to Rules 43.10 (*Imprisonment*), 48 (*Charging benefits with debts to the Employer*) and 49 (*Non-assignability*).

APPENDIX 3 : PENSION SHARING ON DIVORCE

1. **Interpretation**

1.1 **Definitions**

In this appendix 3 words and expressions shall, unless the context otherwise requires, have the following meanings:

“**Appropriate Rights**” has the same meaning as in paragraph 5, schedule 5, WRPA (*Appropriate rights*);

“**Ex-Partner**” means an individual to whom Pension Credit Rights have been, or are to be, allocated following a Pension Sharing Order being made;

“**Normal Benefit Age**” has the same meaning as in paragraph 4.1(A)(1)(1) (*Pension Credit Rights*);

“**Participant**” is an Ex-Partner who participates in the Scheme;

“**Pension Credit**” means a credit under s.29(1)(b), WRPA (*Creation of pension debits and credits*);

“**Pension Credit Benefit**” means the benefits payable under the Scheme to or in respect of a person by virtue of rights under the Scheme attributable (directly or indirectly) to a Pension Credit;

“**Pension Credit Regulations**” means the Pension Sharing (Pension Credit Benefit) Regulations 2000;

“**Pension Credit Rights**” means rights to future benefits under the Scheme which are attributable (directly or indirectly) to a Pension Credit;

“**Pension Debit**” means a debit under s.29(1)(a), WRPA (*Creation of pension debits and credits*);

“**Pension Sharing Order**” means any order or provision as is mentioned in s.28(1), WRPA (*Activation of pension sharing*); and

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

1.2 **Application of Rules**

The definitions of “Dependant” and “Ill-health Condition” and Rules 37 (*Individual transfers-out*), 38 (*Group transfers-out*), 41 (*Payment of pensions*), 42 (*Disposal of lump sum death benefits*), 43 (*Payment of benefits generally*), 45.1 (*Trustee may deduct tax*), 49 (*Non-assignable*), 62 (*Termination*) and 63 (*Amalgamation with another scheme*) and such (if any) of the other Rules as the Trustee, with the Principal Company’s consent, decides shall apply to a Participant as if the Participant were a Member subject to the provisions of this appendix 3, the WRPA and the Overriding Requirements.

2. **Discharge of Pension Credit**

The Trustee shall discharge its liability in respect of a Pension Credit in accordance with paragraph 1, schedule 5, WRPA (*Pension Credit: Mode of Discharge*) by:

- (A) transferring the amount of the Pension Credit to a qualifying arrangement (within the meaning of paragraph 6 of that schedule (*Qualifying arrangements*)), or

- (B) conferring Appropriate Rights under the Scheme on the Ex-Partner in accordance with paragraph 4 (*Participation of Ex-Partner in the Scheme*) if:
- (1) the Scheme is underfunded on the valuation day (where “underfunded” and “valuation day” have the same meanings as in paragraph 8 of schedule 5 to the WRPA (*Adjustments to amount of pension credit*)); or
  - (2) the Principal Company consents.

### 3. **Reduction in Member’s benefits**

Where a Member’s benefits, or any of them, are subject to a Pension Debit, the benefits payable to or in respect of the Member shall be reduced as provided in s.31, WRPA (*Reduction of benefit*) and, if applicable, 10(4), PSA (*Protected rights and money purchase benefits*) and s.15A, PSA (*Reduction in guaranteed minimum in consequence of pension debit*).

## 4. **Participation of Ex-Partner in the Scheme**

### 4.1 **Pension Credit Rights**

(A) Where Appropriate Rights under the Scheme are to be conferred on an Ex-Partner, the benefits to be provided in respect of such rights and the terms, conditions and options applying to them shall be determined by the Trustee before the Pension Sharing Order is implemented and shall be consistent with the WRPA, the Overriding Requirements and the other provisions of this appendix 3. In particular:

- (1) if the Ex-Partner is under age 65, the Trustee must specify an age between 60 and 65 from which the benefits will commence to be paid subject to the exercise of any option conferred on the Ex-Partner to commence the benefits from a different age (the age so specified is the “Normal Benefit Age”);
- (2) the benefits must commence immediately if the Ex-Partner is aged 75 or over;
- (3) the benefits must include a pension for the Ex-Partner;
- (4) if, and to the extent, required under s.40, WRPA (*Indexation – Other pension schemes*) increases must, as a minimum, be provided in accordance with that section.

(B) On the Pension Sharing Order being implemented, the Ex-Partner shall become a Participant.

### 4.2 **Fair value**

Where the Pension Credit Benefit starts to be paid to a Participant other than with effect from Normal Benefit Age, the Trustee must be reasonably satisfied that, when the benefit becomes payable, the total value of the benefits to be provided for or in respect of the Participant is at least equal to the value of the benefits that have accrued to or in respect of the Participant.

### 4.3 **Bought out benefits**

The Trustee may provide for benefits different from those required to constitute Pension Credit Benefits to be secured by a transaction to which s.19, PSA (*Discharge of liability where GMPs are secured by insurance policies or annuity contracts*) applies. The Trustee may, however, do so only in the circumstances set out in regulation 8, Pension Credit Regulations (*Bought out benefits*). Save as provided in that regulation, the Trustee must be reasonably satisfied that the payment to the Insurer is at least equal to the value of the benefits that have accrued to or in respect of the Participant.

#### 4.4 Transfers-out

- (A) A Participant may request that the Trustee arranges a transfer of the Pension Credit Rights to another Registered Pension Scheme or a qualifying recognised overseas pension scheme (within the meaning of s.169(2), FA 2004 (*Recognised transfers*)). Where the Pension Credit Rights comprise more than one category of benefits, the Participant may request the transfer to be made in respect of one or more of those categories of benefits but not the other or others. Before such a transfer may be made, the applicable requirements of Part III, Pension Credit Regulations (*Transfer Values*) must be met. 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 a Participant.
- (B) Where a Participant is also a Member and as both a Participant and a Member is entitled to the same category of benefits, the Participant may not give a transfer notice in respect of that category of benefits unless (a) as a Member he makes an application (which he does not withdraw) under s.95(1), PSA (*Ways of taking right to cash equivalent*) in relation to that category of benefits or (b) the Trustee agrees.
- (C) In this paragraph 4.4 “transfer notice” and “category” have the respective meanings given to them by s.101F, PSA (*Power to give transfer notice*).

### 5. Permissible benefits and options

#### 5.1 Introduction

In exercise of its discretion under paragraph 4.1 (*Participation of Ex-Partner in the Scheme*), the Trustee may make available in whole or part some or all of the benefits and options described below in this paragraph 5. Where the Trustee does so, the benefits and options so provided will take effect subject to the restrictions set out below.

#### 5.2 Early commencement of pension

The benefits may, at the request of the Participant and subject to the Trustee’s consent, commence before Normal Benefit Age but only if:

- (A) the Participant has reached age 55; or
- (B) the Trustee is satisfied that the Ill-health Condition is met; or
- (C) otherwise permitted under The Pension Sharing (Pension Credit Benefit) Regulations 2000.

#### 5.3 Late commencement of pension

The benefits may, at the request of the Participant and subject to the Trustee’s consent, be paid from a date later than Normal Benefit Age but not later than the day immediately preceding the Participant’s 75<sup>th</sup> birthday.

#### 5.4 Commutation

- (A) Subject to the consent of the Trustee and as provided below, the Participant may, on his benefits coming into payment, exchange part (or all) the benefits payable to or in respect of the Participant for :
- (1) a pension commencement lump sum;
- (2) an uncrystallised funds pension lump sum;
- (3) a serious ill health lump sum;

- (4) a trivial commutation lump sum; or
  - (5) a lifetime allowance excess lump sum;
- (all within the meaning of Part 4, FA 2004).

- (B) No benefits which are derived from a disqualifying pension credit may be paid as a lump sum. A disqualifying pension credit has the same meaning as in paragraph 2, schedule 29, FA 2004 (i.e. a pension credit which when the Participant becomes entitled to it the person subject to the corresponding deduction has an actual (rather than a prospective) right to payment of a pension under the relevant arrangement).

#### 5.5 **Death before pension commences**

Where the Participant dies before benefits come into payment, the following benefits may be paid:

- (A) a lump sum death benefit, which shall be payable in accordance with Rule 42 (*Disposal of lump sum death benefits*) of such amount as the Trustee determines; and/or
- (B) a non-commutable pension or pensions to such one or more of the Dependants of the Participant as the Trustee selects of such amount or amounts as the Trustee determines.

#### 5.6 **Death after pension commences**

Where the Participant dies whilst in receipt of a pension, there may, at the Trustee's discretion, be paid:

- (A) a lump sum in accordance with Rule 42 (*Disposal of lump sum death benefits*); and/or
- (B) a non-commutable pension or pensions to one or more of the Dependants of the Participant.

### 6. **Death of Ex-Partner before liability for Pension Credit discharged**

- (A) If the Ex-Partner dies after a Pension Sharing Order is made but before the Trustee has discharged its liability in respect of the Pension Credit, the amount of the Pension Credit (adjusted if and to the extent that the Trustee determines for investment return) may, at the Trustee's discretion, be applied to provide the following benefits:
  - (1) a lump sum death benefit, which shall be payable in accordance with Rule 42 (*Disposal of lump sum death benefits*) of such amount as the Trustee determines; and/or
  - (2) a non-commutable pension or pensions to such one or more of the Dependants of the Ex-Partner as the Trustee selects of such amount or amounts as the Trustee determines.
- (B) The Trustee is not, however, obliged to provide all or any of those benefits. Any part or the whole of the Pension Credit not applied to provide such benefits may, at the Trustee's discretion, be used to provide additional benefits for the Member. The balance shall be retained in the Scheme as an accretion to the Trust Assets.

### 7. **Limitation of Rights**

#### 7.1 **No right under the Scheme**

Unless the Principal Company decides otherwise, no person with a Pension Credit or Pension Credit Rights will have any right or interest under the Scheme except under and to the extent

## Pension Sharing on Divorce

specified in this appendix 3 or as required by law. In particular and for the avoidance of doubt, whether the Scheme is continuing or winding up, such person is excluded from the ambit of any Rule which provides for:

- (A) the augmentation of benefits or improvement of the terms on which benefits are payable;
- (B) discretionary pension increases; or
- (C) the grant of new or additional benefits.

### 7.2 Other rights under the Scheme

The provisions of paragraph 7.1 will not operate in respect of any other capacity in which the person may have rights or interests under the Scheme whether as a Member or Dependant.

### 8. Charging

The Trustee may, subject to complying with the WRPA, impose such charges as it thinks fit in relation to pension sharing and, without prejudice to the generality of the foregoing, may require any such charges to be paid before implementing a Pension Sharing Order.

## APPENDIX 4 : CONTRIBUTION PERCENTAGES

TABLE A

	Employer Contribution	Member Contribution
All EPP Members	4%	4%

TABLE B

	Employer Contribution	Member Contribution
<b>Savers (other than Provisional Members)</b>		
Executive Directors	20%	5%
Senior Executives	15%	5%
Senior Managers and Group Managers (including District Operations Managers on permanent appointment)	10%	5%
Other Members	5%	5%
<b>Provisional Members</b>		
All categories	1%	3%

**Notes:**

1. Table B applies to all Savers other than those in relation to whom Table C for the time being applies.
2. The category into which a Saver falls is the same as his categorisation by the Employer for employment purposes.
3. A Saver who is for the time being an Executive Director shall not at the same time be regarded as being in any other category.
4. Since the Fourth Revision Date the classification of Employees has been changed to the description contained in the above Table. Prior to such reclassification, contributions were payable in accordance with the Rules then in force.
5. In this Appendix 4:
  - (A) "**Executive Director**" means:
    - (1) a director of the Principal Company, William Hill Holdings Limited or William Hill PLC or, at the Principal Company's discretion, WHG (International) Limited; or
    - (2) any other Employee whom the Principal Company elects to treat for the time being as an Executive Director.

## Saver Contribution Percentages

(B) "LBO" means Licensed Betting Office.

(C) "LBO Management" includes:

- LBO Managers
- LBO Deputy Managers
- LBO Trainee Managers

TABLE C

Savers (other than Provisional Members)	Employer Contribution	Member Contribution
Executive Directors, Senior Executives, Senior Managers and Group Managers (including permanently appointed District Operations Managers) under age 30	3%	3%
Employees in Administration Grades 5 and 6 LBO Management Aged 25 or over but under age 30	3%	3%
Employees in Administration Grades 7 to 9, LBO Assistant Managers/LBO Cashiers or Cleaners of any description Aged 25 or over but under age 30 Aged 30 or over but under age 40	3% 4%	3% 4%

The Administration Grading categorisation system is no longer operated by the Employer, consequently references to an Employee in any particular Administration Grade shall be read and construed as a reference to an Employee in an employment which was regarded as being in such Administration Grade immediately prior to such categorisation system ceasing to be so operated.

Table C applies only to a Member who on 1 January 2007 was a Saver but not a Provisional Member and who on that date was paying contributions at a rate of less than 5% of Contribution Pay and who does not elect, by notice in writing to the Trustee, to pay contributions at the rate of 5% of Contribution Pay (such notice must be in such form and received by the Trustee before such date as the Trustee prescribes or accepts).

Table C shall cease to apply and Table B shall apply in its place as from the earlier of:

- (A) 1 April immediately following the Saver ceasing to be within the age ranges referred to in Table C applicable to the Saver's grade or job; and
- (B) the first day of the next open pay period after receipt by the Trustee of written notice from the Saver that the Saver wishes to contribute at the rate of 5% of Contribution Pay. For this purpose a pay period is open only until the Employer's payroll arrangements for that period have been closed.

The notes to Table B apply also to Table C.

## APPENDIX 5 : GIBRALTAR

1. **Application**

This Appendix 5 applies to, but only to, the contributions payable during and the benefits payable in respect of any period of Service throughout which a Member is chargeable to income tax in Gibraltar on his income from such Service.

2. **Limitation on benefits and contributions**

- 2.1 The contributions to and the benefits under the Scheme shall be subject to such limits, restrictions and conditions as are necessary to secure and maintain approval of the Scheme by the Commissioner of Income Tax of Gibraltar, (the "Gibraltar Tax Requirements").
- 2.2 The Gibraltar Tax Requirements shall be determined in accordance with the law of Gibraltar and the requirements from time to time of the said Commissioner.
- 2.3 The Gibraltar Tax Requirements are in addition to and not in substitution for the limits, restrictions and conditions contained in or referred to in Rule 45 (*Tax*), (the "UK Tax Requirements"), and all benefits shall be limited and restricted and made subject to such conditions as are necessary in order to comply with both the Gibraltar Tax Requirements and the UK Tax Requirements. If and to the extent that this is not possible, the Gibraltar Tax Requirements shall prevail. Rule 45.1 (*Trustee may deduct tax*) shall apply in relation to any unauthorised payment charge or other tax or charge arising as a consequence.

3. **Administrator**

The Principal Company shall ensure that at all times a person resident in Gibraltar is appointed as administrator for the purposes of the requirements of the Commissioner of Income Tax in Gibraltar.

**APPENDIX 6 : THE TRUST DEEDS**

1. Interim Trust Deed dated 29 August 1990 between (1) The William Hill Group Limited as the Principal Company (2) William Hill Organization Ltd. as the Associated Company and (3) William Hill Trustee Limited as the Trustee establishing the Scheme.
2. Definitive Trust Deed dated 20 December 1991 adopting the first edition of the rules of the Scheme.
3. Three Deeds of Adherence dated 21 October 1992, 22 April 1999 and 17 June 2002 for Sovco 479 Limited and William Hill Holdings Limited (then called Chartley Limited) and William Hill PLC respectively.
4. A further Deed of Adherence dated 19 June 2005 for Stanley Racing Limited, L Stanley Limited and L Stanley (I.O.M.) Limited.
5. Four Deeds of Amendment dated 4 April 1997 (two), 26 November 1998 and 5 September 2000 respectively amending the first edition of the Rules.
6. Deed of Substitution dated 1 December 1997 by which William Hill Organization Limited succeeded Blueslate Limited (previously called The William Hill Group Limited) as Principal Company.
7. Trust Deed dated 5 September 2000 adopting the second edition of the Rules.
8. Two Deeds of Amendment dated 21 March 2001 and 29 June 2001 respectively amending the second edition of the Rules.
9. Trust Deed dated 21 March 2002 adopting the third edition of the Rules.
10. Five Deeds of Amendment dated 19 May 2004, 1 April 2005, 19 December 2005, 6 April 2006 and 1 December 2006 respectively amending the third edition of the Rules.
11. Deed of Adherence dated 1 November 2007 admitting WHG (International) Limited (then called William Hill (Gibraltar) Limited) on special terms.
12. Deed of Adherence dated 20 May 2009 for WHG Services Limited.
13. Trust Deed dated 30 June 2008 adopting the fourth edition of the Rules.
14. Six Deeds of Amendment dated 20 October 2009, 21 December 2009, 23 February 2011, 31 March 2011 (two deeds) and 1 April 2011 respectively amending the fourth edition of the Rules.
15. Scheme Apportionment Arrangement dated 24 February 2011 by which William Hill Holdings Limited ceased to participate in the Scheme.
16. Two Trust Deeds dated 6 April 2012 and 26 February 2013 adopting the fifth and sixth editions of the Rules respectively.
17. Two Deeds of Amendment dated 30 September 2015 and 31 May 2016 respectively amending the sixth edition of the Rules.

EXECUTED as a deed by WILLIAM HILL )  
ORGANIZATION LIMITED acting by: )  
)  
)

Director   
Director/Secretary 

EXECUTED as a deed by WILLIAM HILL )  
TRUSTEE LIMITED acting by: )  
)

Director   
Director/Secretary   
