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**NORTON ROSE FULBRIGHT**

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Date...15 MARCH 2016.....

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Dated 14 March 2016

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**PUNTER SOUTHALL ASPIRE LIMITED**

and

**THE PUNTER SOUTHALL ASPIRE PENSION TRUST COMPANY LIMITED**

**THE PUNTER SOUTHALL ASPIRE MASTER TRUST**

**TRUST DEED**

bringing into effect definitive documentation for The Punter Southall Aspire  
Master Trust

**NORTON ROSE FULBRIGHT**

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THIS TRUST DEED is made on 14 March 2016

**BETWEEN:**

- (1) **PUNTER SOUTHALL ASPIRE LIMITED** (company number 09836304) whose registered office address is 11 Strand, London WC2N 5HR (the **Establishing Company**); and
- (2) **THE PUNTER SOUTHALL ASPIRE PENSION TRUST COMPANY LIMITED** (company number 10046646) whose registered office address is 11 Strand, London WC2N 5HR (the **Trustee**).

**RECITALS:**

- (A) By this Deed the Establishing Company establishes The Punter Southall Aspire Master Trust as a retirement benefits scheme providing relevant benefits as defined in Section 393B of the Income Tax (Earnings and Pensions) Act 2003 for such employees and former employees of such companies which shall be admitted to participate in The Punter Southall Aspire Master Trust. It consists of the **PSDC Pension** which has two Sections, and the Rules of which (the **PSDC Pension Rules**) are set out in Schedule 5 to this Trust Deed, and separate Sections for Final Salary Schemes (the Rules of which (the **FS Rules**) will be agreed and set out in separate Schedules to this Trust Deed) and separate Employer DC Schemes may be added from time to time including the Invensys DC Section at Schedule 6.
- (B) The Punter Southall Aspire Master Trust will be registered under Chapter 2 of Part 4 of the FA 2004.
- (C) The Trustee has agreed to be the first Trustee of the Scheme.

**OPERATIVE PROVISIONS:**

**1 Structure of The Punter Southall Aspire Master Trust**

- 1.1 Any Qualifying Employer may participate in the PSDC Pension and/or may establish a Final Salary Scheme or Employer DC Scheme in accordance with either method set out in Clause 2.3.
- 1.2 The PSDC Pension comprises two Sections: Section 1 is the Money Purchase Section and Section 2 is the Life Cover Section.
- 1.3 The assets of each PSDC Pension Section must be kept separate at all times (including on the termination of any scheme or Section) from those of the other PSDC Pension Section, and of the Final Salary Schemes or Employer DC Schemes. The assets of each of the Final Salary Schemes will be invested on a pooled basis which is described in Schedule 2. However, the Trustee may use the PSDC Pension or an Employer DC Scheme as an investment vehicle for AVCs paid by a member of a Final Salary Scheme.

- 1.4 Each Final Salary Scheme and Employer DC Scheme is restricted to the employees and former employees of a Qualifying Employer or of a company or firm which is associated with it.
- 1.5 The Trustee declares that it shall:
- (a) hold the assets of each of the Final Salary Schemes, each of the Employer DC Schemes and of the PSDC Pension on the trusts applicable to them respectively as set out in this Trust Deed; and
  - (b) administer and manage each of the Final Salary Schemes, the Employer DC Schemes and the PSDC Pension in accordance with this Trust Deed and the Rules.
- 1.6 The Trustee is the scheme administrator of each Final Salary Scheme, Employer DC Scheme and of the PSDC Pension for the purposes of Section 270 of the FA 2004. The Trustee must discharge the duties imposed on an administrator under the FA 2004 and may take such steps and give any undertakings necessary under the Registration Requirements.
- 1.7 The Schedules form part of this Trust Deed. Schedule 1 contains the definitions of words used in this Trust Deed, its Schedules and Appendices. Schedule 2 sets out the provisions governing the investment of the assets of each of the Final Salary Schemes on a pooled basis. Schedule 3 contains provisions relating to HMRC limits and tax on benefits under each Final Salary Scheme and the PSDC Pension comprising The Punter Southall Aspire Master Trust and Employer DC Schemes. Schedule 4 sets out the provisions concerning pension sharing on divorce. Schedule 5 contains the PSDC Pension Rules and Schedule 6 contains the Rules of the Invensys DC Scheme.

## **2 Qualifying Employers and substitution of an Employer**

- 2.1 The Qualifying Employers which the Trustee may at its discretion allow to participate in the PSDC Pension and/or to establish a Final Salary Scheme or Employer DC Scheme are any entity or person which the Trustee and the Establishing Company consider it appropriate to include.
- 2.2 A Qualifying Employer which wishes to participate in a PSDC Pension Section must enter into an undertaking satisfactory to the Trustee to comply with the provisions of that Section, as amended from time to time.
- 2.3 A Qualifying Employer may:
- (a) with the agreement of the Trustee, establish a new Retirement Benefits Scheme as a Final Salary Scheme (which may include a scheme which provides career average revalued earnings benefits or cash balance benefits or similar), by executing a declaration of trust agreed between it and the Trustee;

- (b) with agreement of the Trustee, establish a new Retirement Benefit Scheme as an Employer DC Scheme by executing a declaration or Trust executed between it and the Trustee; or
  - (c) as an alternative to establishing a new scheme as a Final Salary Scheme in accordance with Clause 2.3(a), the Trustee may accept at the request of a Qualifying Employer appointment as trustee of any salary-related retirement benefits scheme already established by a party which is a Qualifying Employer (an **Existing Scheme**) and any Existing Scheme shall be treated to the extent possible under the Trust Deed as a Final Salary Scheme. For the avoidance of doubt, any Existing Scheme so adopted as a Final Salary Scheme, will participate as a separate trust in The Punter Southall Aspire Master Trust and its governing documentation will be amended in due course to align its provisions with those of the Trust Deed and shall be treated for all purposes as if it had been established under the Trust Deed. The assets of any Existing Scheme shall be held by the Trustee separately from the assets of the PSDC Pension and Employer DC Scheme and the other Final Salary Schemes of The Punter Southall Aspire Master Trust, save that its assets may be invested in the Common Investment Fund in accordance with Schedule 2 to the Trust Deed.
- 2.4 A Qualifying Employer may by deed participate in a Final Salary Scheme as an Associate of the Principal Employer if the Trustee and the Principal Employer agree, subject to satisfying the Registration Requirements. The terms of participation will be as agreed between the Associate, the Principal Employer and the Trustee.
- 2.5 The participation of an Associate in a Final Salary Scheme must stop:
- (a) on the effective date of any notice given by the Associate, terminating its liability to pay contributions to the Final Salary Scheme;
  - (b) if, by liquidation or otherwise, the Associate ceases to carry on a business unless the Associate and the Trustee agree otherwise; and
  - (c) on any date specified by the Principal Employer concerned or by the Trustee by three month's written notice to the Associate or such other period as agreed in writing by the Parties.
- 2.6 In relation to a Final Salary Scheme, if the Principal Employer shall be wound up or dissolved or if the business or functions of the Principal Employer are transferred to another business or undertaking or if the Principal Employer so requests, the Trustee may at its discretion by deed permit another Qualifying Employer which has succeeded to all or any of the functions or business of the Principal Employer to succeed as the Principal Employer for all the purposes of the Final Salary Scheme.

- 2.7 In relation to the PSDC Pension or an Employer DC Scheme, if a Participating Employer shall be wound up or dissolved or if the business or functions of the Employer are transferred to another business or undertaking or if the Employer so requests, the Trustee may at its discretion by deed permit another Employer which has succeeded to all or any of the functions or business of the Employer to succeed as the Employer for all the purposes of the PSDC Pension or Employer DC Scheme.

### **3 Constitution of and governance of the Trustee**

#### **3.1 Introduction**

This Clause deals with the certain matters concerning the constitution and governance of the Trustee, which is responsible for holding the assets of each of the Final Salary Schemes, Employer DC Schemes and the PSDC Pension comprising The Punter Southall Aspire Master Trust in trust, together with the general management, administration and investment of each of the Final Salary Schemes, Employer DC Schemes and the PSDC Pension comprising The Punter Southall Aspire Master Trust. The constitution of the Trustee is set out in the Articles of Association which may contain provision for certain details concerning the implementation of the constitution to be set out in a governance policy and amended from time to time. The Punter Southall Aspire Master Trust is exempt from the requirements of Section 241 to 243 of the 2004 Act.

#### **3.2 Constitution**

- (a) The number of Trustee Directors shall not be less than three and shall not be more than ten, provided that there shall at all times (save where a vacancy arises and a replacement has not yet been appointed) be a majority of directors who are non affiliated if required by the Occupational Pension Schemes (Charges and Governance) Regulations 2015 (Governance Regulations 2015).
- (b) The provisions relating to the mechanics of the appointment and removal of Trustee Directors are as set out in the Articles of Association. The appointment or removal of any Trustee Director must also comply with the eligibility requirements set out in this Clause 3 and with the requirements contained in Chapter 3 of the Governance Regulations 2015.

#### **3.3 Trustee Directors Eligibility**

In order to be eligible to be a Trustee Director a person must meet any general requirements for the time being imposed by the Establishing Company.

#### **3.4 General**



- (a) The Establishing Company may impose from time to time general requirements as to the eligibility of any person to be appointed or to be re-appointed as a Trustee Director. These requirements may in particular (but without limitation) relate to the person's conduct, professional standing and any relevant requirements of the Governance Regulations 2015.
- (b) Any question as to the eligibility of a person to be a Trustee Director or whether a Trustee Director should retire or be removed, or as to the order of retirement or removal, shall be decided by the Establishing Company.

### 3.5 Trustee meetings and decision making

Subject to any requirements imposed on it by Section 32 of the 1995 Act, the provisions of the Articles of Association and the provisions of this Clause 3.5, the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings and decision making as it thinks fit.

### 3.6 Execution of documents by the Trustee

- (a) Any deed, resolution or other document entered into by the Trustee may be executed in counterpart and where two signatures are required from the Trustee, each signatory may sign a separate counterpart. If a deed, resolution or other document is executed in counterpart, each of the executed counterparts shall be deemed to be an original, but taken together they will constitute one instrument.
- (b) One signature only is required in respect of any such deed, resolution or other document, where such document solely concerns a matter on which the Board has made a decision (recorded in writing).
- (c) In respect of all matters to which Clause 3.6(b) does not apply, two signatures are required to any such deed, resolution or other document.

## 4 Investment and application of assets

- 4.1 All the investments, assets and moneys of each of the Final Salary Schemes, Employer DC Schemes and the PSDC Pension shall be held under the legal control of and by, or in the name of, the Trustee, provided that the Trustee may place any or all of the investments, assets and moneys of all or any of the Final Salary Schemes, Employer DC Schemes and the PSDC Pension under the control of an investment manager appointed in accordance with Clause 5 (Investment manager).
- 4.2 The Trustee may retain such of the moneys of all or any Final Salary Scheme, Employer DC Scheme and of the PSDC Pension as it decides in any current or deposit account with any

bank, building society, Insurance Company, local authority, finance company or other deposit taking institution at such rate of interest (if any) and upon such terms as the Trustee thinks fit, and shall, subject to Clause 4.6, invest or otherwise apply the balance of those moneys as it thinks fit:

- (a) in any manner in which it could do if it were absolutely and beneficially entitled to those moneys; and
- (b) in any manner in which it is empowered to do as trustee of a Retirement Benefits Scheme and whether or not it is authorised by the law relating to the investment of trust monies.

4.3 This Clause shall be construed so that the Trustee may in particular (but not limited to), and without prejudice to the generality of Clause 4.2, enter into any of the following transactions:

- (a) the purchase of any stocks, shares, debenture stocks, bonds, gilts, unit trusts, bearer securities, commodities or any other similar securities;
- (b) the purchase from an Insurance Company, and maintenance of, any deferred or immediate annuity for the life of any person, or for any other period (whether depending upon or calculated by reference to life or not);
- (c) the establishment and maintenance of any policy of life assurance (including the payment of premiums) or sinking fund, deposit administration or managed fund policies or contracts;
- (d) the underwriting or sub-underwriting (or guaranteeing the subscription of) any funds, securities, bonds, debentures, stocks or shares;
- (e) the purchase of assets which do not produce an income;
- (f) any transaction intended by the Trustee to enhance the value of all or any of the Final Salary Schemes, Employer DC Scheme or the PSDC Pension or to offset or reduce any risk of loss to all or any of the Final Salary Schemes, Employer DC Schemes or the PSDC Pension (so that the Trustee may enter into contracts affecting investments such as (but not limited to) foreign currencies, options, traded options, financial futures or swaps, whether for present or future settlement); and
- (g) the purchase of real property.

4.4 The Trustee may at any time and from time to time sell, convert, vary or transpose any of the investments or assets of a Final Salary Scheme, Employer DC Schemes or the PSDC Pension.

4.5 In relation to any real property or any interest in real property forming part of a Final Salary Scheme, Employer DC Schemes or the PSDC Pension, the Trustee shall have power:

- (a) in addition to any powers of management conferred by law to sell, exchange, convey, lease, charge, agree to let, licence or otherwise conduct the management of any such property as if the Trustee was absolutely and beneficially entitled to such property; and
  - (b) to apply any money for the time being forming part or all of the assets of a Final Salary Scheme, Employer DC Schemes or the PSDC Pension in improving, repairing or developing any such property or in enlarging, improving, demolishing or rebuilding any building comprised in such property.
- 4.6 In exercising its powers under this Clause, the Trustee shall have regard to:
- (a) any statement of investment principles which may be made by it, after consultation with the Principal Employer of a Final Salary Scheme or the Participating Employers of the PSDC Pension or of an Employer DC Scheme, pursuant to Section 35 of the 1995 Act;
  - (b) in relation to choosing investments and proper advice, the provisions of Section 36 of the 1995 Act (as amended by Section 245 of the 2004 Act); and
  - (c) the restrictions of Section 40 of the 1995 Act in relation to employer-related investments.
- 4.7 The Trustee shall have power to grant or give any indemnity, guarantee, warranty, covenant or assurance in respect of or in relation to any investment or asset held as part of a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension.
- 4.8 The Trustee may enter into arrangements for the common investment on a pooled basis of some or all of the assets of a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension with assets held on the trusts of another pension scheme. Those arrangements may confer on the managers of those assets any powers which the Trustee may exercise in relation to the assets of a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension and may include provisions in favour of those persons which have a similar effect as those contained in Clause 7 (Conflicts of interest), Clause 5 (Investment manager) and Clause 8 (Protection of Trustee).

## **5 Investment manager**

- 5.1 Without prejudice to the generality of its powers, the Trustee may appoint an investment manager of all or part of the assets of any one or more Final Salary Scheme, an Employer DC Scheme or one or more Sections of the PSDC Pension with authority to exercise all or any of its powers and discretions. The Trustee must do this where it is obligatory under the 1995 Act and must comply with the 1995 Act and 2004 Act in selecting an investment manager. In selecting an investment manager, the Trustee shall consider the views of the Establishing Company and subject to any contrary legal obligation shall not appoint any investment manager which does not have the written approval of the Establishing Company.

- 5.2 The Trustee is free to decide the terms on which any investment manager is appointed. In particular, the Trustee may authorise the investment manager to act although a conflict between the investment manager's duties to a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension and his interests or other duties might arise (including the purchase of assets from a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension and the sale of assets to a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension), to retain any benefit received through acting as investment manager, to deal for the account of a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension without being obliged to secure the best terms available and to delegate any of its powers (including power to authorise a delegate to appoint a sub-delegate and so on for any lower level of sub-delegation).

## **6 Trustee's powers - general**

### **6.1 General powers**

In addition to all powers conferred by law and subject to the provisions of the Articles of Association, the Trustee may take any action or make any arrangements generally in connection with the administration or management of a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension which it thinks fit (subject in the case of the Money Purchase Section or applicable Employer DC Scheme to Clause 6.4 below). In particular, but without limitation (save as to Clause 6.4 below), it may exercise any of the following powers:

- (a) to give guarantees, indemnities, warranties and undertakings binding on any Final Salary Scheme, an Employer DC Scheme or the PSDC Pension, including by giving security;
- (b) to borrow money upon any terms and conditions (including as to security);
- (c) subject to the provisions of Section 47 of the 1995 Act, to obtain advice from, engage the services of or employ any person on any terms;
- (d) to delegate, either generally or for any particular purpose, to any person or committee any or all of the powers, discretions and duties of the Trustee on any terms, including as to quorum;
- (e) to appoint any person as custodian of any assets of a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension on any terms (including the holding of assets in a nominee's name); and
- (f) to insure its members and any of the Trustee's employees against any liabilities incurred in connection with a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension and to insure any Final Salary Scheme, an Employer DC Scheme or the PSDC Pension against any losses or liabilities.

## 6.2 Insurance

- (a) The Trustee may insure any asset of a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension or any benefit arising under the PSDC Pension and/or Final Salary Scheme, and/or an Employer DC Scheme on such terms as it thinks fit, and the premiums may be paid out of income or capital. Any insurance money received by the Trustee may be used to restore the asset concerned, or (if the asset cannot be restored) shall be applied by the Trustee as if it were the proceeds of the sale of the asset.
- (b) The Trustee may insure a Final Salary Scheme and/or the PSDC Pension and/or an Employer DC Scheme against the risk of such loss to such Final Salary Scheme and/or the PSDC Pension and/or an Employer DC Scheme as it thinks appropriate. If the Trustee effects a policy of insurance under this Clause where the risk is or includes the imposition of fines or penalties imposed by the Regulator under the provisions of the 1995 Act, the premiums or the relevant proportion thereof shall not be paid or borne by that Final Salary Scheme, Employer DC Scheme or the PSDC Pension, but shall instead constitute part of the Trustee's management expenses and shall be paid by the relevant Participating Employers.

## 6.3 Miscellaneous

- (a) The powers in Clauses 6.1(d) and 6.1(e) include power to authorise the delegate or custodian to exercise the powers in Clauses 6.1(d) and 6.1(e). A sub-delegate or sub-custodian so appointed may also be authorised to exercise those powers and to give the same authority to its sub-delegate or sub-custodian and so on for any lower level of sub-delegation or sub-custodianship.
- (b) The Trustee may agree to arrange the provision of services to the trustees of, or an employer which has established, a Retirement Benefits Scheme in connection with that Retirement Benefits Scheme.
- (c) The exercise of every power or discretion and the making of every determination or decision by the Trustee in relation to a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension is at its absolute discretion.
- (d) To the extent permitted by law, the Trustee shall have the power to make all decisions, including acting on behalf of a Participating Employer, in connection with decisions required by the 2004 Act in relation to the funding status of a Final Salary Scheme, an Employer DC Scheme and the PSDC Pension, to include (without limitation) the statement of investment principles and the scheme-specific funding basis.

## 6.4 Auto-enrolment

In the event that any Employer enters into an Arrangement with the Trustee to fulfil its Employer Duties through the Money Purchase Section or through an Employer DC Scheme, the Trustee shall have regard to those Employer Duties when it takes (or refrains from taking) any action or makes (or refrains from making) any arrangements generally.

## **7 Conflicts of interest and information policy**

- 7.1 Clauses 7.2, 7.3 and 7.7 apply to the Trustee, the Trustee Directors, any employee of the Trustee, any member of any committee appointed by the Trustee, any person engaged to do any act in connection with a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension and to any person to whom any of the powers, discretions or duties of the Trustee have been delegated (for the purposes of this Clause only, a **Relevant Person**).
- 7.2 No exercise of a power or discretion or discharge of a duty by a Relevant Person is to be invalidated or questioned on the ground that he is a beneficiary of a Final Salary Scheme, or an Employer DC Scheme or the PSDC Pension or has any other interest, whether generic or specific, in the decision or exercise of the power, discretion or duty.
- 7.3 Notwithstanding Clause 7.2, any Relevant Person with such an interest shall be required to declare it to the Trustee and to comply with any conflict of interests policy from time to time applying to the Trustee.
- 7.4 A Relevant Person may, subject to Clause 9 (Expenses of Trustee Directors), retain for himself any benefit which he derives from his connection with any or all of the Final Salary Schemes, or an Employer DC Scheme or the PSDC Pension.
- 7.5 In the case of an investment manager appointed under Clause 5 or any other person who is not a member, or an employee, of the Trustee but is remunerated for anything done in connection with any or all of the Final Salary Schemes, or an Employer DC Scheme or the PSDC Pension, Clauses 7.2 and 7.3 apply only to the extent provided by any agreement entered into by that person relating to the performance of his duties in connection with each such Final Salary Scheme, or an Employer DC Scheme or the PSDC Pension.
- 7.6 In this Clause **delegate** means a person to whom a power has been delegated under this Trust Deed and includes a sub-delegate appointed by a delegate or sub-delegate of the Trustee (at whatever level of sub-delegation) under a power to sub-delegate validly granted.
- 7.7 Any Relevant Person is not required to disclose to the Trustee any information which is within his knowledge and which relates to a Qualifying Employer if such disclosure would or might cause him to become in breach of any duty of fidelity or confidentiality owed by him to that Qualifying Employer by reason of his employment by that Qualifying Employer or otherwise. However, this Clause will not apply unless the Relevant Person has first declared to the Trustee the existence in relation to any matter to which the information is or may be relevant of a conflict

between the duties owed by him to the Qualifying Employer and to the Trustee respectively and has absented himself from and refrained from participating in any discussion of, and the decision making process relating to, that matter.

- 7.8 The Trustee may from time to time adopt and may revise an Information Policy which sets out in writing information which the Qualifying Employers are required to disclose to the Trustee. The Trustee shall provide to the Qualifying Employers a copy of the Information Policy and any amendments made to it. Without prejudice to its obligations under Regulation 6 of the Scheme Administration Regulations, each Qualifying Employer is required to disclose to the Trustee in writing such information as may be specified in the Information Policy and such other information as the Trustee may request in any particular circumstances.
- 7.9 The Trustee may put in place such procedures as it considers appropriate from time to time for the management of conflicts of interest, including the establishment of information barriers.

## **8 Protection of Trustee**

- 8.1 This Clause applies to the Trustee and to each current and past Trustee Director, employee of the Trustee and member of any committee appointed by the Trustee. This Clause does not apply to the extent that it would be inconsistent with the provisions of the 1995 Act, the 2004 Act or the 2006 Act applicable to the Trustee.
- 8.2 No person to whom this Clause applies is liable for any act or omission, except an act or omission of his own which was not done or omitted in good faith and which he knows is a breach of duty.
- 8.3 The Trustee may in its absolute discretion obtain trustee indemnity insurance for the acts of the directors of the Trustee. The cost of such insurance shall be met as an expense of The Punter Southall Aspire Master Trust.
- 8.4 All costs and liabilities arising out of any actions, proceedings or claims which are made against a person to whom this Clause applies and which arise out of the management or administration of a Final Salary Scheme, any Employer DC Scheme or the PSDC Pension are to be paid out of the assets of such Final Salary Scheme, any Employer DC Scheme or the PSDC Pension (and if more than one such Final Salary Scheme, any Employer DC Scheme or the PSDC Pension, in proportions decided by the Trustee), unless they are covered by insurance or result from that person's own act or omission which was not done or omitted in good faith and which he knows is a breach of duty.
- 8.5 This Clause does not reduce any protections or indemnities given by law to a person to whom this Clause applies, but, if there is a conflict, this Clause is overridden by any agreement entered into by a person to whom this Clause applies relating to the performance by him of his duties.

- 8.6 This Clause shall continue to apply notwithstanding the closure to accrual or contributions or termination or winding-up of the PSDC Pension (or a PSDC Pension Section or part thereof), an Employer DC Scheme or any Final Salary Scheme.

## **9 Expenses of Trustee Directors**

- 9.1 Each Trustee Director is entitled to be reimbursed personally by the Establishing Company or by the Participating Employers and failing such payments, out of the assets of the relevant Final Salary Scheme, the PSDC Pension or Employer DC Scheme to which the direct costs and expenses were properly incurred personally in carrying out his functions as a Trustee Director. Each Trustee Director must provide The Punter Southall Aspire Master Trust with appropriate evidence of costs and expenses incurred prior to receiving any reimbursement under this Clause.
- 9.2 An allowance is payable by the Establishing Company in respect of the services provided by the Trustee Directors.
- 9.3 An allowance is also payable by the Establishing Company or by the Participating Employers and failing such payments, out of the assets of the relevant Final Salary Scheme, PSDC Pension or Employer DC Scheme in the proportions in which they were incurred or due under the relevant Final Salary Scheme, PSDC Pension or Employer DC Scheme as applicable, in respect of the services of the chairman and vice-chairman. The amount of the allowance and the terms of its payment are to be decided from time to time by the Trustee; (except that the chairman or vice-chairman shall abstain from voting). The Trustee may from time to time and at any time decide to extend the provisions of this Clause to any other Trustee Director; except that the Trustee Director concerned shall abstain from voting.
- 9.4 The Trustee may also decide that any one or more Trustee Directors be paid any fees decided from time to time by the Trustee out of the assets of the relevant Final Salary Scheme or the PSDC Pension or Employer DC Scheme in the proportions in which they were incurred under such Final Salary Scheme, PSDC Pension or Employer DC Scheme as applicable.
- 9.5 For the avoidance of doubt, there shall be no cross-funding between the PSDC Pension, the Final Salary Schemes or the Employer DC Schemes. Accordingly, any payments under this Clause 9, which are made from the assets of the PS Master Trust to the Trustee Directors will only be payments from the relevant part of the PS Master Trust from which those payments are due and will under no circumstances be allowed to be paid from a Final Salary Scheme, the PSDC Pension, or an Employer DC Scheme, unless and to the extent such payment directly relates to that Final Salary Scheme, PSDC Pension or Employer DC Scheme.



## 10 Change of Trustee

- 10.1 The Establishing Company may by deed appoint new or additional Trustees and remove any Trustee from office.
- 10.2 A body corporate may be appointed as sole Trustee, notwithstanding that it is not a trust corporation.
- 10.3 Upon a Trustee Director's resignation or removal from office, such Trustee Director shall be discharged automatically from all or any liabilities deriving from his trusteeship, except in respect of acts or omissions not done or omitted in good faith and which the Trustee Director knows to be a breach of duty.

## 11 Group and individual transfers in

- 11.1 The Trustee may at its discretion accept a transfer payment to a Final Salary Scheme, an Employer DC Scheme or the Money Purchase Section of the PSDC Pension (including a transfer without consent) relating to any person who is, or is about to become, a Member of that Final Salary Scheme, that Employer DC Scheme or the Money Purchase Section. Before accepting a transfer the Trustee must be satisfied that the transfer is from a Registered Pension Scheme or another source permitted by HMRC (the **Previous Scheme**) and the Trustee must receive such information as it shall from time to time require from the Previous Scheme and shall ascertain that the transfer would be a Recognised Transfer and the Registration Requirements are met.
- 11.2 If the person to whom the transfer payment relates joins or is a Member of the Money Purchase Section, the Trustee must credit the transfer payment received to the Money Purchase Member's Account under the Money Purchase Section.
- 11.3 If the person to whom the transfer payment relates joins or is a Member of a Final Salary Scheme, the Trustee must provide for and in respect of him benefits of an amount and type and subject to terms decided by it after consulting the Actuary. The Trustee shall comply with the Preservation Requirements.
- 11.4 If the person to whom the transfer payment relates joins or is a Member of an Employer DC Scheme, the Trustee must credit the transfer payment received to the Employer DC Scheme Member's Account under the relevant Employer DC Scheme.
- 11.5 The Trustee may at its discretion on the request of a Qualifying Employer at any time accept a transfer into the Money Purchase Section an Employer DC Scheme or a Final Salary Scheme of all or any part of the assets of a Previous Scheme whereupon:

- (a) the individuals to whom the transfer relates shall be treated (if they are not already) as Active Members, Early Leavers, Pensioners or Beneficiaries (as appropriate); and
- (b) benefits shall become payable from the Money Purchase Section, an Employer DC Scheme or a Final Salary Scheme to or in respect of any person who is transferred to the Final Salary Scheme, an Employer DC Scheme or Money Purchase Section upon such terms as the Trustee with the consent of the Qualifying Employer shall decide and shall be notified to such person by the Trustee at or as soon as reasonably practicable after the time he transfers.

- 11.6 The Trustee will be liable for any tax for which the administrator or trustees of the Previous Scheme would have been liable (for example on commutation), having regard to the nature of its tax approval at the relevant time.
- 11.7 The Trustee may at its discretion accept a transfer payment to the Money Purchase Section of the PSDC Pension in respect of a Member or other person. Benefits shall become payable upon such terms as the Trustee shall determine. Such transfer in and benefits shall be subject to the requirements of the FA 2004.

## 12 Group and individual transfers out

- 12.1 This Clause applies if a Beneficiary of a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension is or becomes entitled to rights under another Retirement Benefits Scheme whose trustees or managers are able and willing to accept the transfer or any other fund, scheme or arrangement as may be acceptable to HMRC (the **New Scheme**). A transfer under this Clause shall only be made by the Trustee if:
- (a) it would be a Recognised Transfer;
  - (b) the Registration Requirements are met; and
  - (c) to the extent the transfer includes safeguarded benefits (as defined in Section 48(8) of the Pension Schemes Act 2015 (**2015 Act**)) the Trustee has received such information as it reasonably requires to meet its obligations under Section 48 of the 2015 Act.
- 12.2 If this Clause applies, the Trustee may (or must if the Beneficiary is, either entitled to a Cash Equivalent and has exercised his option to transfer or has benefits in the Employer DC Scheme known as the Invensys DC Scheme) arrange for a transfer payment to be made to the trustees or other administrator of the New Scheme, if they agree to accept it.
- ~~12.3 Every Member of a Final Salary Scheme whose Pensionable Service terminates at least one year before his Normal Retirement Date may, in accordance with Sections 93 to 101 of the~~

1993 Act, elect that the Cash Equivalent of his benefits shall be used by transferring it to a New Scheme. Any election made under this Clause shall be in writing and shall be made not later than one year prior to the Member's Normal Retirement Date, or six months after the Member's termination of Pensionable Service, whichever is the later.

- 12.4 Every Member of an Employer DC Scheme or the PSDC may elect to transfer the value of his Member's Account at any time, subject to clause 12.1.
- 12.5 The Trustee shall make effective any election under this Clause (unless the Member withdraws the application in writing) above in accordance with the statutory requirements and by not later than the expiry of twelve months from the date when the Trustee receives the application or the Member's Normal Retirement Date, whichever is the earlier.
- 12.6 In the case of a Beneficiary who is not entitled to a Cash Equivalent, the amount of the transfer payment will be calculated on a basis decided by the Trustee. In the case of a Final Salary Scheme, the Trustee may increase the amount of the transfer payment with the agreement of the Principal Employer. In the case of the PSDC Pension or Employer DC Scheme, the Trustee can, if it considers it appropriate, increase the amount.
- 12.7 If some (but not all) Beneficiaries become entitled at the same time to rights under the same New Scheme in which a Participating Employer (or a successor to the whole or part of the undertaking of a Participating Employer) participates:
- (a) at the request of the Participating Employer concerned, the Trustee may, after consulting the Actuary, make a transfer payment in respect of all or some of the Beneficiaries concerned as a group; and
  - (b) the transfer payment in relation to the group of Beneficiaries may be made only if the Trustee obtains from the Actuary advice to the effect that the transfer payment proposed would not be greater than the relevant amount (except as a result of the application of the Cash Equivalent provisions). For this purpose, the relevant amount is the value of the portion of the relevant Final Salary Scheme, Employer DC Scheme or the PSDC Pension which in the opinion of the Actuary relates to the group of Beneficiaries. Without limiting his discretion, the Actuary may reserve assets of the relevant Final Salary Scheme, Employer DC Scheme or the PSDC Pension concerned for liabilities relating to one or more categories of Beneficiaries and may apportion only the remaining assets of the relevant Final Salary Scheme, Employer DC Scheme or PSDC Pension concerned.
- 12.8 The Trustee may make a transfer payment in respect of a Beneficiary without his written consent only in accordance with the 1993 Act.
- 12.9 The Trustee must give the trustees or other administrator of the New Scheme such information in connection with the transfer as they may reasonably require.

- 12.10 The Trustee may, if requested by the Beneficiary or otherwise if the requirements of the 1993 Act concerning transfers without consent are met, transfer separately his entitlement under the relevant Final Salary Scheme, Employer DC Scheme and/or the whole of his PSDC Pension, and/or his AVCs (if any). In that event, references to **transfer payment** (or like expressions) in this Clause are to be read as a reference to the transfer value in relation to each part to be transferred.
- 12.11 On making a transfer payment the Trustee is discharged from all liability to or in respect of the Beneficiary concerned, except any part of the Cash Equivalent to be applied in another way permitted by Section 95(2) of the 1993 Act. This discharge is in addition to and without prejudice to any other discharge given to the Trustee.

### **13 Buy out and open market option**

- 13.1 If an Early Leaver from a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension who is entitled to a Cash Equivalent has by virtue of the 1993 Act required the Trustee to use all or part of the Cash Equivalent in taking a Policy out for him which satisfies the Preservation Requirements, the Trustee shall do what is reasonably required to carry out what the Member requires. The amount of the Cash Equivalent will be determined as set out in Clause 13.2 below.
- 13.2 If an Active Member or an Early Leaver from a Final Salary Scheme or the PSDC Pension, to whom Clause 13.1 does not apply, is about to become a Pensioner, he may request the Trustee in writing to apply an amount in taking out a Policy for him which satisfies the requirements of the HMRC and the Preservation Requirements. If the amount is to be paid from a Final Salary Scheme then it must be calculated in compliance with the Cash Equivalent provisions. The Preservation Requirements and Revaluation Requirements must also be taken into account in determining the amount. In the case of a Final Salary Scheme, the Trustee may increase the amount with the agreement of the Principal Employer. In the case of a PSDC Pension, or an Employer DC Scheme, the Trustee can if it considers appropriate, increase the amount.
- 13.3 A policy of insurance or annuity contract taken out under Clause 13.1 or 13.2:
- (a) may provide benefits of an ascertained or unascertained amount which may differ in form and/or amount from those otherwise payable under the relevant Final Salary Scheme, Employer DC Scheme or PSDC Pension; and
  - (b) must be proposed for by and be issued in the name of the Active Member or Early Leaver.
- 13.4 On taking out or transferring the benefit of a Policy, the Trustee is discharged from all liability to or in respect of the Member concerned. This discharge is in addition to and without prejudice to any other discharge given to the Trustee.

- 13.5 The provisions of this Clause may, at the discretion of the Trustee and on the request of a Qualifying Employer, apply to a Beneficiary or a Group of Beneficiaries. The Trustee shall not be required to obtain the consent of the Beneficiary, save where required to do so under the 1993 Act.

## **14 Payment of lump sums on death**

- 14.1 Subject to Clauses 14.2 and 14.3 the Trustee has power to pay or apply the whole or any part of any lump sum benefit payable in accordance with this Clause to or for the benefit of all or any 1 (one) or more of the Relatives, Dependants and Legatees of the Member living at his death or to such other person as the Trustee believes he would have wished (if of sound mind) to provide for (including a child conceived but not yet born), or to his personal representatives, in proportions the Trustee determines. To the extent that any part of the benefit is unpaid or unapplied at the expiry of 2 (two) years (or such shorter or longer period as may satisfy the following proviso) from the Member's death, the Trustee will pay the benefit (or the relevant part of it) to his personal representatives.
- 14.2 Provided that if the lump sum is a Defined Benefits Lump Sum Death Benefit, an Uncrystallised Funds Lump Sum Death Benefit or a Drawdown Lump Sum Death Benefit it must, if the Member is under the age of 75 at the date of death, be paid within 2 (two) years of the earlier of:
- (a) the day on which the Trustee in its capacity (as the administrator of the relevant Final Salary Scheme, Employer DC Scheme or the PSDC Pension under the FA 2004) first knew of the Member's death; and
  - (b) the day on which the Trustee could first reasonably be expected to have known of it.
- 14.3 The Trustee may, in exercise of the power in Clause 14.1, pay or transfer the lump sum benefit (or any part of it) to trustees (including themselves) to be held upon such trusts (including discretionary trusts) for any one or more of the Relatives, Dependants and Legatees of the Member in such shares as the Trustee decides. The Trustee may confer on those trustees any powers and discretions (including power to charge remuneration) it thinks fit.
- 14.4 The Trustee has power to apply the whole or any part of the lump sum benefit in the purchase of Policies for any one or more of the Dependants, Relatives and Legatees of the Member.

## **15 Payment of pensions**

- 15.1 This Clause applies to pensions payable under a Final Salary Scheme.
- 15.2 A Pensioner's pension is paid in accordance with the applicable FS Section or in arrears by monthly instalments on the last day of each month during the lifetime of the Pensioner. The first instalment is paid on the last day of the month in which the pension is to start. The last

instalment will be paid on the last day of the month in which the Pensioner dies. If a Pensioner's pension does not start from the first day of the month the first instalment must be an appropriate proportion of a full monthly instalment.

15.3 A spouse's or dependant's pension is paid in accordance with the applicable FS Section or in arrears by monthly instalments on the last day of each month during the lifetime of the spouse or Dependant (or for any shorter period provided for by the FS Rules). The first instalment will be paid on the last day of the month after the month in which the Member's death occurs. The last instalment will be paid on the last day of the month in which the spouse dies or, where the FS Rules so provide, remarries or, in the case of a dependant's pension, the event causing its termination occurs.

15.4 A Child's pension is payable by monthly instalments until the Child ceases to be a Child as defined in Schedule 1 (Definitions). The first instalment will be paid on the last day of the month after the month in which the Member's death occurs. The last instalment will be paid on the last day of the month in which the event causing the termination of the Child's pension occurs.

#### 15.5 PSDC Pension Policies

The provisions governing the purchase of PSDC Pension Policies are set out in the Money Purchase Rules.

### **16 Benefits - deduction of tax, overpaid and unclaimed**

16.1 The Trustee may deduct from any payment from a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension any tax or other duty in respect of the payment for which it is liable in respect of that payment. The Trustee may also exercise its powers under Schedule 3 (HMRC Limits and Tax).

16.2 If any amount paid to a Beneficiary under a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension exceeds his entitlement, the Trustee may deduct the amount overpaid from any future payments due to that Beneficiary or to any other person who derives his entitlement to benefit through him. However the power to deduct is subject to any restriction imposed by Section 91 of the 1995 Act. Alternatively, the Trustee may at any time recover the amount overpaid from the person to whom it was paid. If the amount overpaid is such amount which does not have to be reported to HMRC, even if it is an Unauthorised Payment, the Trustee may decide not to recover it.

16.3 Unless the Trustee decides otherwise, any benefit or instalment of a benefit payable under a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension is forfeited if it is not claimed within six years after first becoming payable, or if later, the date on which notice of entitlement is given to the Beneficiary concerned.

- 16.4 If the Crown, the Duchy of Lancaster, the Duchy of Cornwall or any foreign country or state (or an agency or other authority of it) is entitled directly or indirectly to the whole of a deceased's estate and, apart from the provisions of this Clause, a benefit under a Final Salary Scheme, Employer DC Scheme or the PSDC Pension would be payable to the estate, that benefit is forfeited and shall be applied at the discretion of the Trustee for the purposes of the relevant Final Salary Scheme, Employer DC Scheme or the PSDC Pension.

## **17 Debts owed to a Participating Employer**

- 17.1 If the Trustee is satisfied that a Member owes money to a Participating Employer as a result of his criminal, negligent or fraudulent act or omission, the Participating Employer may require the benefits for or in respect of the Member to be reduced by an amount which the Trustee, after taking the advice of the Actuary, decides is equal in value to the amount owed. The Trustee must give the Member a certificate showing the amount he owes to the Participating Employer and the reduction in his benefits. A certificate signed by any two representatives of the Participating Employer shall be accepted by the Trustee as conclusive. If the Member disputes the amount owed to the Participating Employer, the Trustee must not reduce his benefits until the amount has become enforceable under a court order or arbitrator's award. If a Member's benefits are reduced, the Trustee must, provided the payment would constitute a compensation payment within the meaning of Section 178 of the FA 2004, pay to the Participating Employer the amount owed or, if less, the value of the Member's benefits, if so required by the Participating Employer. The Participating Employer's receipt shall be a complete discharge to the Trustee.
- 17.2 The powers contained in this Clause may not be exercised so as to:
- (a) reduce any benefit derived from a transfer to the relevant Final Salary Scheme, Employer DC Scheme or the PSDC Pension (unless permitted by law); or
  - (b) affect any benefit which has excluded or reduced a redundancy payment to which a Member is, or would otherwise be, entitled.
- 17.3 The powers contained in this Clause are subject to Sections 91 and 92 of the 1995 Act.
- 17.4 In this Clause **Participating Employer** includes a Qualifying Employer whose participation in the relevant Final Salary Scheme, Employer DC Scheme or one or more PSDC Pension Sections has come to an end in accordance with Money Purchase Rule 6.1 (Leaving Active Membership) or Life Cover Rule 4 (Ending Membership), as appropriate.
- 17.5 The Trustee may deduct any tax for which it or the relevant Final Salary Scheme, Employer DC Scheme or the PSDC Pension may be liable.

## **18 Benefits not to be assigned**

- 18.1 No Beneficiary may in any way assign, charge, commute or surrender the whole or part of his interest under a Final Salary Scheme, Employer DC Scheme or the PSDC Pension. If a Beneficiary does this, or became bankrupt before 6 April 2002 or anything happens as a result of which his benefits would or might, but for this Clause, be payable wholly or in part to another person, his benefits are forfeited with effect from the relevant event or the time his benefits become payable, if later.
- 18.2 Clause 18.1 does not apply as follows:
- (a) in relation to the exercise of any option or the making of any election under the Trust Deed or the Rules; or
  - (b) for the purposes of any order or provision as referred to in Sections 24 and 28 of the 1999 Act.
- 18.3 If a Beneficiary's benefits are forfeited for any reason, the Trustee may apply the amount of the forfeited benefits for or towards the benefit of the Beneficiary and/or any of his Dependants (except any assignee) in the proportions and manner it decides. In a case of bankruptcy, the Trustee may reinstate the entitlement to benefit if the Beneficiary is discharged from bankruptcy.
- 18.4 This Clause does not apply to any benefit or instalment of benefit that is due to be paid before the benefit is forfeited.

## **19 Payment without probate**

If a grant of representation has not been made in respect of the estate of a deceased person, any sum payable to the legal personal representatives of the deceased may nevertheless be paid by the Trustee to the spouse, or any of the Dependants, of the deceased, or to any person entitled to any benefit from the deceased's estate. A receipt given to the Trustee by the person to whom payment is made is as effective as if it had been given by the legal personal representatives.

## **20 Minors and incapacitated Beneficiaries and Members**

- 20.1 If a Beneficiary is a minor or, in the Trustee's opinion, suffers from any mental or physical incapacity making him unable to manage his affairs, the Trustee may pay all or part of his benefit either to any other person for the benefit of the Beneficiary or to any of the Beneficiary's Dependants. Any part of the benefit which is retained may be paid later to the Beneficiary or the Beneficiary's Dependants. The receipt of the person to whom the benefit is paid is a complete discharge for the amount paid and the Trustee has no further responsibility in relation to the payment. If the Beneficiary is a minor, the Trustee may pay any benefit to him if it thinks



this is appropriate. Any amount still retained by the Trustee on the Beneficiary's death is held upon the same trusts and provisions as apply to a lump sum death benefit under this Trust Deed and the Rules.

- 20.2 If a Member, in the Trustee's opinion, suffers from any mental incapacity making him unable to make decisions in relation to his Account, the Trustee may take instructions regarding investment decisions or any other decision in relation to the Member's Account from a person holding a validly executed power of attorney on behalf of the Member or, in the alternative, the Trustee may, in its absolute discretion, make any such decision on behalf of the Member. The Trustee's decision will be treated as having been directed by the Member.

## **21 Evidence and information**

- 21.1 A Beneficiary of a Final Salary Scheme, Employer DC Scheme or the PSDC Pension must produce any evidence (including but not limited to certificates or other evidence of birth, marriage, death, civil partnership, age or identity) and information the Trustee from time to time requires. The Trustee may rely on any evidence or information produced by a Beneficiary to a Participating Employer, instead of obtaining it directly. Payment of any benefit may be deferred or suspended by the Trustee until the evidence or information required is produced.
- 21.2 If any evidence or information produced by a Beneficiary is incorrect, the benefits for and in respect of him will be adjusted, reduced, cancelled or reclaimed to the extent the Trustee thinks appropriate, after taking the advice of the Actuary.
- 21.3 The Trustee is entitled to rely on any information received from a Participating Employer concerning any matter relating to a Final Salary Scheme, Employer DC Scheme or the PSDC Pension, including whether a person is eligible for membership of a Final Salary Scheme, Employer DC Scheme or a PSDC Pension Section, whether a person is in full or Part-time Employment, a person's normal hours of work and any full-time equivalent, the amount or nature of any person's earnings, the calculation of any period of employment or the reason why a Member's employment ends or why he is no longer eligible for continued membership of a Final Salary Scheme, Employer DC Scheme or PSDC Pension Section.
- 21.4 A Jobholder who is an Active Money Purchase Member or an Active Employer DC Scheme Member is not required to express a choice in any matter, or to provide any information in order to become or remain a Money Purchase Active Member, Active or Employer DC Scheme Member and this Clause 21.4 overrides Clause 21.1 to 21.3 inclusive to the extent necessary.

## **22 Actuarial investigations and surpluses**

- 22.1 In accordance with the provisions of Section 47 of the 1995 Act, the Trustee must appoint an individual as Actuary to each of the Final Salary Schemes where required an individual or firm,

to the Money Purchase Scheme and Employer DC Schemes. Different individuals may be appointed as Actuary for different schemes. An appointment may be revoked and a new appointment made. Any requirement under this Trust Deed or the Rules on the Trustee to take the advice of the Actuary is construed as a requirement to consult an Actuary or a firm the majority of whose partners are actuaries or a corporate body making available the advice of an Actuary.

- 22.2 The Trustee must obtain actuarial valuations and certificates required under Sections 41 and 75 of the 1995 Act and Section 271 of the 2004 Act at the required intervals (or more frequently, if it so decides). If the 1995 Act or 2004 Act does not require a valuation to be obtained in relation to a Final Salary Scheme, the Trustee may obtain valuations as it decides from time to time. All necessary accounts and information must be supplied by the Trustee and the Participating Employers for the purpose of any valuation or certificate.
- 22.3 If the actuarial valuation in respect of a Final Salary Scheme discloses that the value of the assets of the scheme exceeds its liabilities, the Trustee may, subject to compliance with Section 37 of the 1995 Act, pay to any Participating Employer concerned the excess or part of it. A payment may only be made if it is an Authorised Surplus Payment as described in Section 177 of the FA 2004.
- 22.4 The actuarial valuations relating to the Final Salary Schemes shall be forwarded by the Trustee to the Regulator, as required under the 2004 Act. The Trustee may delegate this obligation to the appropriate Actuary or such other person as it sees fit.

## **23 Auditor, accounts and records**

- 23.1 The Trustee must appoint an Auditor to each Final Salary Scheme, the PSDC Pension, and if the Trustee considers, necessary each Employer DC Scheme.
- 23.2 The Trustee must keep books and records relating to its meetings and the financial transactions of each Final Salary Scheme, Employer DC Scheme and the PSDC Pension as required by Section 49 of the 1995 Act.
- 23.3 The Trustee must as soon as reasonably practicable (and in any event within seven months) after 31 December in each year (or any other date it substitutes) obtain audited accounts for the period ending on that date and an auditor's statement, as required by Section 41 of the 1995 Act. The Trustee must give the Auditor information for this purpose, as required by the 1995 Act.

## **24 Other Advisers**

- 24.1 The Trustee must appoint other advisers including legal advisers and investment advisers on terms as required by the 1995 Act.

- 24.2 The Trustee may appoint one or more administrators to administer the whole or a part of the Employer DC Scheme and may allow such administrator to delegate its powers and obligations, subject to the Trustee's written consent.

## **25 Alterations**

- 25.1 Subject to Section 67 of the 1995 Act, and anything contrary in the applicable Schedules, the Trustee may, with the consent of the Establishing Company, at any time alter, add to or replace this Trust Deed, its Schedules and Appendices. Any alteration, addition or replacement may have retrospective or prospective effect and must be effected by a deed executed on behalf of the Trustee and the Establishing Company.

## **26 Increase in benefits**

- 26.1 The Trustee has power to increase any benefit payable from the PSDC Pension or, in the case of late payment of the benefit, from a Final Salary Scheme. At the request of a Participating Employer, the Trustee will increase any benefit payable under a Final Salary Scheme, Employer DC Scheme or the PSDC Pension to or in respect of an employee or former employee of the Participating Employer, subject to the payment by the Participating Employer of any additional contributions the Trustee decides, and in the case of a Final Salary Scheme after taking the advice of the Actuary. The Preservation Requirements must be complied with in respect of any person who has been promised an additional benefit under this Clause.
- 26.2 The Trustee will request the Principal Employer each year to review the level of pensions payable under a Final Salary Scheme and the level of entitlements to contingent pensions, in the light of the value of the liabilities of the Final Salary Scheme and the value of its assets. The Principal Employer may decide, as a result of this, to increase the level of pensions payable and/or for the level of contingent pensions to be payable under the Final Salary Scheme, subject to the payment by any Participating Employer of the Final Salary Scheme of any additional contribution which the Trustee decides, after taking actuarial advice.
- 26.3 At the request of a Participating Employer, the Trustee must provide a pension or other relevant benefit for any current or former employee (or for his or her spouse or dependant) of a Participating Employer or of a Participating Employer's predecessor in business. This is subject to the payment by the Participating Employer of any additional contributions which the Trustee decides, after taking the advice of the Actuary. The Trustee will provide the pension or other benefit out of the PSDC Pension, Employer DC Scheme or a Final Salary Scheme, according to the Final Salary Scheme, Employer DC Scheme or PSDC Pension Section(s) in which the Participating Employer participates.
- 26.4 Any increase or provision of a new benefit under this Clause shall comply with the Registration Requirements.

- 26.5 Any additional contributions payable by a Participating Employer or the Principal Employer under this Clause may at the discretion of the Trustee be payable either by instalments or as a lump sum.

## **27 Participating Employers' contributions - payment and termination**

- 27.1 Each Participating Employer in relation to a Final Salary Scheme must pay to the Final Salary Scheme contributions at the rate (if any) which the Principal Employer and the Trustee agree, after the Actuary has been consulted, with a view to making advance provision for the benefits accruing or accrued under the Final Salary Scheme.
- 27.2 Contributions payable under this Clause to a Final Salary Scheme must be paid to the Trustee or as the Trustee directs at the intervals required by any schedule of contributions for the time being in force under Section 227 of the 2004 Act. If no schedule of contributions is in force, contributions must be paid monthly on or before a date required by the Trustee.
- 27.3 A Participating Employer may at any time, by notice in writing to the Trustee, terminate its liability to pay contributions to the Final Salary Scheme. Any notice of termination is without prejudice to any obligation of the Participating Employer to pay contributions to the Final Salary Scheme under this Trust Deed or any legislative requirements. If the Principal Employer terminates its liability, Clause 29 (Termination of a Final Salary Scheme) applies. If a Participating Employer terminates its liability, the pensionable service of each Active Member in the employment of the Participating Employer ends and his benefits are calculated accordingly. The provisions of Section 75 shall apply to such Participating Employer.
- 27.4 Contributions shall be paid to each PSDC Pension Section or Employer DC Scheme in accordance with the Rules of that Section or Scheme, as appropriate.
- 27.5 The Trustee may at its discretion issue VAT only invoices to any Participating Employer in connection with a Final Salary Scheme, Employer DC Scheme or the PSDC Pension, as it sees fit.

## **28 General**

- 28.1 Expenses
- (a) The Trustee is entitled to be reimbursed by the Establishing Company (and if not reimbursed in full, from one or more Participating Employers as the Trustee shall reasonably determine) or if payment in full is not received in full from the Establishing Company or an Employer, out of the assets of the Final Salary Schemes, Employer DC Scheme and the PSDC Pension in respect of the expenses which it has properly incurred in connection with carrying out its functions.

- (b) The Trustee may at its discretion allocate a particular expense to any Final Salary Scheme, Employer DC Scheme or to the PSDC Pension, in proportions to be decided by the Trustee.
- (c) The Trustee shall issue monthly invoices in respect of its expenses to the Establishing Company. The Establishing Company shall pay the invoices in full within 28 calendar days.
- (d) The Establishing Company and the Participating Employers shall separately agree in writing, the costs and charging structure under The Punter Southall Aspire Master Trust.
- (e) A Participating Employer shall pay such costs, charges and expenses as are agreed in writing with the Establishing Company to the Establishing Company.

## 28.2 Final Salary Schemes

- (a) The Trustee shall estimate from time to time an amount representing expenses in respect of each Final Salary Scheme. That amount must be paid by, or on behalf of, the Principal Employer to the Trustee at intervals agreed between the Trustee and the Principal Employer. It is normally included in the appropriate Schedule of Contributions.
- (b) Except as specified in Clause 8.3 (Protection of Trustee), all administration, management and investment costs, charges and expenses of each Final Salary Scheme (including any tax liabilities) are payable by the Participating Employers in proportions the Trustee considers appropriate, unless they are met by the Trustee. Costs, charges and expenses met by the Trustee are paid out of the assets of each Final Salary Scheme in proportions which the Trustee considers equitable. In order to pay any costs, charges and expenses which are to be met out of the assets of a Final Salary Scheme, the Trustee may surrender units of the Common Investment Fund referred to in Schedule 2 (Common Investment Fund) which are allocated to the Final Salary Scheme.

## 28.3 PSDC Pension

The Trustee determines and allocates PSDC Pension expenses and costs of administration and management at its discretion from time to time as follows:

- (a) expenses are apportioned between the Money Purchase Section and the Life Cover Section when such expenses are attributable to more than 1 (one) Section; and
- (b) expenses which the Trustee determines are wholly referable to a Member's Account are allocated directly to that Member's Account, and expenses which the Trustee determines are wholly referable to a Life Cover Member are allocated directly to that Life Cover Member in the event that the Member ceases to be an Active Member.

28.4 The Trustee may apply assets from each PSDC Pension Section, as it deems appropriate, to meet expenses which are payable from that PSDC Pension Section.

28.5 Employer DC Scheme

The Trustee determines and allocates Employer DC Scheme expenses and costs of administration and management at its discretion from time to time as follows:

- (a) The Trustee may apply assets from each Employer DC Scheme, as it deems appropriate, to meet expenses which are payable from that Employer DC Scheme.
- (b) expenses which the Trustee determines are wholly referable to a Member's Employer DC Scheme Account are allocated directly to that Member's Employer DC Scheme Account, and expenses which the Trustee determines are wholly referable to a Life Cover Member are allocated directly to that Life Cover Member in the event that the Member ceases to be an Active Member.

## **29 Termination of a Final Salary Scheme**

29.1 A Final Salary Scheme will terminate:

- (a) on the effective date of any termination by the Principal Employer of its liability to contribute to the Final Salary Scheme;
- (b) if the Principal Employer ceases to carry on business, or an Insolvency Event happens to it, and it is not replaced by another Qualifying Employer in accordance with Clause 2.6 with the Trustee's agreement;
- (c) if the Trustee is advised by the Actuary to the Final Salary Scheme that it is insolvent and the Trustee resolves to terminate the Final Salary Scheme;
- (d) if the Principal Employer fails to perform any of its duties or obligations in relation to its Final Salary Scheme and the Trustee decides to terminate its Final Salary Scheme;
- (e) if a Final Salary Scheme ceases to be a Registered Pension Scheme; or
- (f) if the Trustee decides to terminate all the Final Salary Schemes.

On the termination of a Final Salary Scheme, Section 73 of the 1995 Act shall apply, no further contributions are payable (save as shall be required under the 2004 Act whilst this Clause applies and under Clause 29.2 when the Final Salary Scheme begins to wind-up) and no further person may be admitted to membership. The Pensionable Employment of each Active Member shall end and his benefits shall be calculated as if he is a Qualified Member (as defined in the FS Rules), whether or not he is in fact one. The membership of Life Cover Members shall

cease. The Trustee will continue to administer and manage the Final Salary Scheme in accordance with this Trust Deed and the FS Rules (in particular any power of alteration which shall for the avoidance of doubt survive termination), except that any power which is expressed to be exercisable by, or with the consent of, a Participating Employer is exercisable by the Trustee alone (unless the Trustee decides otherwise in any particular case). At any time after a Final Salary Scheme terminates, the Trustee may decide to wind it up.

29.2 If a Final Salary Scheme winds-up, its liabilities will be calculated separately from those of any other Final Salary Scheme, Employer DC Scheme or the PSDC Pension. The Trustee shall realise the assets of the Final Salary Scheme, including any contributions required under Section 75. The Trustee must pay from the assets of the Final Salary Scheme being wound up:

- (a) all expenses and liabilities incurred in the administration and management of the scheme or in connection with its termination or winding-up; and
- (b) any unpaid benefit which became due before the winding-up began. After paying (or reserving for) the liabilities listed in Clauses 29.2(a) and 29.2(b), the Trustee must apply the remainder of the Final Salary Scheme's assets towards satisfying its liabilities in accordance with Section 73 of the 1995 Act.

29.3 If any assets of the Final Salary Scheme remain after the Trustee has satisfied the Scheme's liabilities under Section 73 of the 1995 Act, the Trustee may use them in one or more of the following ways to the maximum extent which would be consistent with Pre-6 April 2006 Tax Approval as if it applied to all beneficiaries of the Final Salary Scheme:

- (a) to increase a benefit provided for or in respect of any person under Section 73 of the 1995 Act;
- (b) to provide a different benefit for or in respect of any of those persons;
- (c) to provide a benefit for or in respect of any person whose benefits have been forfeited.

The Trustee's decision as regards the interpretation and application of Pre-6 April 2006 Tax Approval will be final and binding on the Beneficiaries affected.

29.4 Any assets of the Final Salary Scheme which ultimately remain must, provided it would be an Authorised Surplus Payment, and subject to compliance with Section 76 of the 1995 Act, be paid (less tax) to the Participating Employers in the relevant Final Salary Scheme, in proportions the Trustee decides.

29.5 In satisfying a Final Salary Scheme's liabilities on winding-up, the Trustee is entitled to assume that no person will become married or divorced or be born after a date (which must not be earlier than the beginning of the winding-up) selected by it.

- 29.6 The Final Salary Scheme's liabilities may be satisfied by the Trustee in any one or more of the following ways:
- (a) making transfer payments in accordance with Clause 12 (Group and individual transfers out), for which no request or approval of any Participating Employer is required;
  - (b) purchasing immediate, deferred or contingent insurance policies or annuity contracts from an Insurance Company, subject to the Preservation Requirements and the Revaluation Requirements;
  - (c) in respect of an eligible Member, by payment of a Winding-up Lump Sum (or a Winding-up Lump Sum Death Benefit, in the case of an eligible Dependant) in either event of an amount determined by the Trustee after taking the advice of the Actuary; and
  - (d) in another way permitted under the 1995 Act and FA 2004.
- 29.7 If the Trustee satisfies any liability under Clause 29.6(a), it must try to purchase Policies or annuities providing benefits on the same terms as under this Trust Deed and the FS Rules. However, if the Trustee considers it to be in the interests of the Beneficiaries as a whole, the Policies or annuities may be for different amounts or on different terms.
- 29.8 No later than one month after the winding-up of a Final Salary Scheme is triggered, the Trustee shall notify all affected Members of the winding-up and supply such information as is required by the 1995 Act and the Disclosure Regulations.

### **30 Termination of the PSDC Pension or Employer DC Scheme**

- 30.1 The Trustee may decide to wind up the PSDC Pension any PSDC Pension Section, including for the avoidance of doubt the Money Purchase Section, the Life Cover Section or any Employer DC Scheme, and any lump sum and any pension for a spouse or Dependents which is payable on the death of a Money Purchase Active Member or a Money Purchase Early Leaver under Money Purchase Rule 9 (Death of an Active Member or Early Leaver - Lump sum) or under an Employer DC Scheme and in respect of a Life Cover Member under Life Cover Rule 7 (Death of a Member - Lump sum) and which is based on the proceeds of any insurance cover effected by the Trustee in relation to him (if any), shall cease.
- 30.2 In this Clause, **Termination Date** means the date chosen by the Trustee if it decides to wind-up the PSDC Pension or a Section of the PSDC Pension. If the Trustee decides to wind-up the PSDC Pension or a Section thereof or an Employer DC Scheme, the Termination Date is interpreted accordingly and the rest of this Clause applies (with the making of any changes required in the context) to the relevant Section, Sections or Employer DC Scheme and the assets which the opinion of the Trustee, after consulting the Actuary, relate to that Section, Sections or Employer DC Scheme.



- 30.3 If the PSDC Pension winds up, the Trustee must:
- (a) pay out of its assets all expenses and liabilities incurred in the administration and management of the PSDC Pension or Employer DC Scheme or in connection with its winding up from the Money Purchase Section, the Employer DC Scheme or the Life Cover Section, as it deems appropriate;
  - (b) pay out of its assets any benefit which became due before the winding up began and which remains unpaid;
  - (c) hold the assets of the Money Purchase Section (as reduced to meet expenses and liabilities in accordance with Clause 30.3(a) above), separately and apply them in accordance with this Clause 30 to pay liabilities for Money Purchase Active Members and Money Purchase Early Leavers in respect of any part of a Money Purchase Account, which will be treated as being equal to the amount of that part of the Account;
  - (d) hold the assets of the Life Cover Section (as reduced to meet expenses and liabilities in accordance with Clause 30.3(a) above), separately and apply them in accordance with this Clause 30 to pay liabilities which relate to the Life Cover Section; and
  - (e) hold the assets of any Employer DC Scheme (as reduced to meet expenses and liabilities in accordance with Clause 30.3(a) above) separately and apply them in accordance with this Clause 30 to pay the liabilities of the relevant Employer DC Scheme.
- 30.4 Any expenses or liabilities referred to in paragraph Clause 30.3(a) may be allocated to Accounts on a basis which the Trustee thinks appropriate. In particular, the Trustee may allocate specific expenses or liabilities to an Employer DC Scheme Account, or the Money Purchase Account (or to any part of an Account), or to a Life Cover Member to which or whom they relate.
- 30.5 The Trustee will provide, for and in respect of each person for whom a Money Purchase Account or Employer DC Scheme Account is maintained at the Termination Date, benefits of a value equal to that Account, reduced by any expenses or liabilities allocated to the Account. If the Trustee so decides in any case, it may provide a contingent benefit for the spouse or Dependant of the person concerned.
- 30.6 In satisfying each PSDC Pension Section's or Employer DC Scheme's liabilities on winding-up, the Trustee is entitled to assume that no person will become married or divorced or enter or dissolve a civil partnership or be born after a date (which must not be earlier than the beginning of the winding-up) selected by it.
- 30.7 Each PSDC Pension Section's or Employer DC Scheme's liabilities may be satisfied by the Trustee in any one or more of the following ways:

- (a) making transfer payments in accordance with Clause 12 (Group and individual transfers out), for which no request or approval of any Participating Employer is required;
- (b) purchasing immediate, deferred or contingent insurance policies or annuity contracts from an Insurance Company subject to the Preservation Requirements and Revaluation Requirements;
- (c) in respect of an eligible Member, by payment of a Winding-up Lump Sum (or a Winding-up Lump Sum Death Benefit, in the case of an eligible Dependant) in either event of an amount determined by the Trustee after taking actuarial advice; and
- (d) in another way permitted under the 1995 Act or FA 2004.

30.8 If the Trustee satisfies any liability under Clause 30.7(b), it must try to purchase Policies or annuities providing benefits on the same terms as under this Trust Deed and the Money Purchase Rules or an Employer's DC Scheme Rules as appropriate. However, if the Trustee considers it to be in the interests of the Beneficiaries as a whole, the Policies or annuities may be for different amounts or on different terms.

### **31 Options and notices**

31.1 Any option, power or right of election conferred upon any person (including any Participating Employer or Principal Employer) under a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension Rules shall (subject to any alternative arrangements that the Trustee may adopt) be given by notice in writing, to be effected as stated in Clause 31.2.

31.2 Subject to any requirements imposed by the 1993 Act or the 1995 Act (and to any alternative arrangements which the Trustee may at its discretion decide to adopt), any notice to be given under a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension Rules to:

- (a) any person with an interest or potential interest in a Final Salary Scheme, an Employer DC Scheme or the PSDC Pension, may be given by sending the notice through the post, to him at his last known address and any notice so sent shall be deemed to be served on the fifth day following that on which it is posted; or
- (b) the Trustee, may be given by sending the notice, addressed to the Trustee, through the post to an office nominated by it and any notice so sent shall be deemed to be served on the fifth day following that on which it is posted; or
- (c) a Participating Employer or a Principal Employer, may be given by sending the notice through the post to its principal or registered office (or such other address as it may have nominated in writing to the Trustee) and any notice so sent shall be deemed to be served on the fifth day following that on which it is posted.

Proof of postage

- 31.3 The sender of any notice in 31.2(a) to 31.2(c) above shall provide such evidence of postage as is reasonable in the circumstances.

## 32 Donations and bequests

The Trustee may accept donations or bequests from any person or body to be applied for the purposes of The Punter Southall Aspire Master Trust or a particular Final Salary Scheme, an Employer DC Scheme or PSDC Pension Section.

AS EVIDENCE of which this Trust Deed has been executed on the date stated on the first line of page 1.

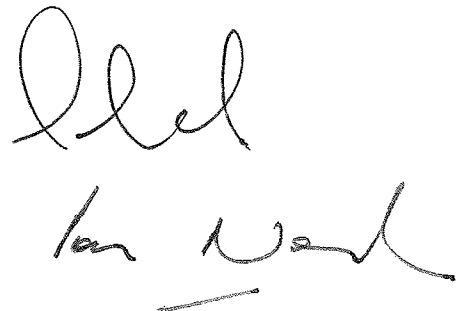
**EXECUTED and DELIVERED as a** )

**DEED by** )

**PUNTER SOUTHALL ASPIRE LIMITED** )

Director

Director/Secretary

Two handwritten signatures in black ink. The first signature is a stylized, cursive 'J' followed by 'el'. The second signature is a more complex cursive script, possibly reading 'Ian Ward'.

**EXECUTED and DELIVERED as a** )

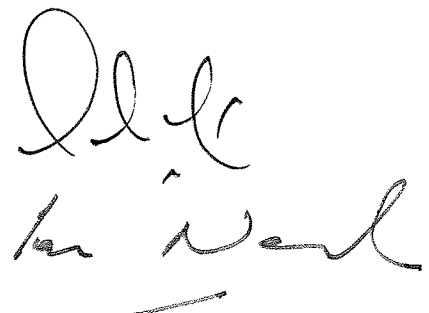
**DEED by THE PUNTER SOUTHALL** )

**ASPIRE PENSION TRUST COMPANY** )

**LIMITED** )

Director

Director/Secretary

Two handwritten signatures in black ink, identical to the ones in the previous block. The first signature is a stylized, cursive 'J' followed by 'el'. The second signature is a more complex cursive script, possibly reading 'Ian Ward'.

## Schedule 1

### Definitions

#### 1 Definitions

The following definitions apply for the purposes of the Trust Deed and (save where otherwise stated) all of its Schedules and Appendices:

**1992 Act** means the Social Security Contributions and Benefits Act 1992;

**1993 Act** means the Pension Schemes Act 1993;

**1995 Act** means the Pension Act 1995;

**1996 Act** means the Employment Rights Act 1996;

**1999 Act** means the Welfare Reform and Pensions Act 1999;

**2000 Act** means the Financial Services and Markets Act 2000;

**2004 Act** means the Pensions Act 2004;

**2006 Act** means the Companies Act 2006;

**2008 Act** means the Pensions Act 2008;

**85% (eighty-five percent) Contributions** are set out in Money Purchase Rule 3.1.3 (c) (85% (eighty-five per cent) Contributions) and are one of the Alternative Requirements;

**FA 2004** means the Finance Act 2004;

**Account** means, in relation to a Money Purchase Member or a Employer DC Scheme Member, the account established and maintained in respect of him under the Money Purchase Section or a Employer DC Scheme as appropriate and where the context requires, it also means the amount standing to the credit of that account;

**Active Member** means a person who is accruing benefits under a Final Salary Scheme; or a person in respect of whom an Employer is paying contributions or any other person who is contributing to a PSDC Pension Section or an Employer DC Scheme subject to the rules of the Section or Scheme, (or who is a late retiree under the rules of that Section). The expression includes an Auto-enrolled Member (where appropriate), a person who has a lump sum death in service benefit only under the PSDC Pension and who is paying AVCs, but excludes Life Cover Members, AVC Members, Early Leavers, Pensioners, Ex-Spouses and Drawdown Members who are not contributing;

**Actuary** means the actuary for the time being appointed by the Trustee as the actuary to the PSDC Pension, an Employer DC Scheme or a Final Salary Scheme, as the case may require, who shall be a Fellow of the Institute and Faculty of Actuaries or an individual authorised by the Secretary of State to act as an actuary for the purposes of the 1995 Act;

**Additional Paternity Leave** means the statutory entitlement to additional paternity leave under Section 80AA and 80BB of the 1996 Act and the Additional Paternity Leave Regulations 2010;

**Arrangement** is as described in the 2008 Act by which an Employer arranges with the Trustee for a Jobholder or Entitled Worker to become an Active Member of the Money Purchase Section, within the period required by the Auto-enrolment Regulations;

**Alternative Requirements** are set out in the Regulation 32E of the Auto-enrolment Regulations;

**Annual Allowance** means the annual allowance as defined in Section 228 of the FA 2004 and amended as specified in any order made by the Treasury;

**Articles of Association** means the Memorandum and Articles of Association from time to time of the Trustee;

**Associate** means a Qualifying Employer which participates in a Final Salary Scheme, but which is not the Principal Employer;

**Auditor** means the auditor appointed by the Trustee under Clause 23 of the Trust Deed (being an individual or a firm eligible for appointment as a company auditor and registered as such in accordance with the provisions of Section 1239 of the 2006 Act or an individual or firm authorised by the Secretary of State to act as an auditor for the purposes of the 1995 Act);

**Authenticated** has the meaning given to it in Section 1146 of the 2006 Act;

**Authorised Surplus Payment** has the meaning given to in Section 177 of the FA 2004;

**Auto-enrolled Member** means an Jobholder whose Employer has made an Agreement with the Trustee to fulfil its Employer Duties in respect of him by enrolling (or re-enrolling) him in the Money Purchase Section or an Employer DC Scheme on his Auto-enrolment Date (or Auto re-enrolment Date or Enrolment Date). It includes a Jobholder who was an Active Money Purchase Member or an Active Employer DC Scheme Member on his Auto-enrolment Date (or Auto re-enrolment Date or Enrolment Date);

**Auto-enrolment Date** is defined in Section 3(7) of the 2008 Act, and is subject to postponement or disapplication under Section 4 of the 2008 Act;

**Auto-enrolment Regulations** means The Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010;

**Auto-enrolment Scheme** means a scheme which satisfies the requirements of Section 17 of the 2008 Act;

**Auto re-enrolment Date** is defined in section 5(8) of the PA2008 and Regulation 12 of the Auto-enrolment Regulations;

**Availability of the Member's Lifetime Allowance** has the meaning given in Sections 218 and 219 of the FA 2004;

**AVC** means Additional Voluntary Contribution;

**AVC Member** means an Active Member of a Final Salary Scheme or Employer DC Scheme who makes AVCs;

**Basic Pay** is defined in Regulation 32K of the Auto-enrolment Regulations and means the gross Earnings of a Jobholder from their employment with the Employer, disregarding the gross amount of:

- (a) any commission, bonuses, overtime or similar payments;
- (b) any shift premium pay (as defined in Regulation 32K of the Auto-enrolment Regulations);  
and
- (c) any reasonable allowance with respect to:
  - (i) any duty which is ancillary to the main duties of the Jobholder's employment;
  - (ii) relocation of the Jobholder to a different place of work;
  - (iii) in a case not covered by sub-paragraph (ii), the purchase, lease or maintenance of a vehicle;
  - (iv) in a case not covered by sub-paragraph (ii) or (iii), the purchase, lease or maintenance of an item;
  - (v) in a case not covered by sub-paragraph (ii), (iii) or (iv), the delivery of a service to the Jobholder;

If the 2008 Act and/or any regulations made under it are amended, so that Basic Pay set out above is changed from time to time, the definition of Basic Pay is deemed to be amended from time to time to incorporate any such changes;

**Basic Pay Contributions** are set out in Money Purchase Rule 3.1(c)(ii) (Basic Pay Contributions) and where applicable in an Employer DC Scheme and are one of the Alternative Requirements;

**Benefit Crystallisation Event** has the meaning given by Section 216 of the FA 2004 and references to crystallisation, crystallised and uncrystallised have the corresponding meanings;

**Beneficiary** means any person absolutely or contingently entitled to a benefit from a Final Salary Scheme and/or any 1 (one) or more Sections of the PSDC Pension or an Employer DC Scheme;

**Benefit Recipient** means Members and any other recipients or potential recipients of benefits under a particular Final Salary Scheme, Employer DC Scheme or a Section of the PSDC Pension and all persons claiming through such persons;

**Board** means the board of directors of the Trustee from time to time;

**Cash Equivalent** means the value (determined by the Trustee on the advice of the Actuary in accordance with Section 97 of the 1993 Act and subject to any reduction which may be applied under regulation 7(C) of the Occupational Pension Schemes (Transfer Values) Regulations 1996 to the amount so calculated) of an Active Member's or Early Leaver's benefits accrued to the date of termination of Pensionable Service or the date a transfer is made under Clause 12 (Group and individual transfers out) of the Trust Deed;

**Cash Transfer Sum** means the cash transfer sum which is defined in Section 101AB of the 1993 Act;

**Certification Period** means a period set out in Regulation 32B of the Auto-enrolment Regulations;

**Child** means, for the purposes of a Final Salary Scheme only, a Member's:

- (a) legitimate child (including a posthumous child);
- (b) legitimated child; or
- (c) adopted child; or
- (d) stepchild (which shall include a child of the civil partner of the Member of whom the Member is not the biological or adoptive parent); or
- (e) child of whom the Member is not the biological or adoptive parent

who was either living with the Member at the date of his death or was, in the opinion of the Principal Employer, dependent on him at the date of his death, if, and for so long as, such child

is under the age of 18 (eighteen). If the Principal Employer agrees, the Trustee may treat as a Child any other child of a Member if and for so long as such person is under the age of 18 (eighteen) years and who, in the opinion of the Principal Employer, was wholly or mainly dependent on the Member at the date of his death; the Trustee may do this for a limited period only;

**Clause** means a Clause in the Trust Deed;

**Compliance Notice** has the meaning given by Section 35 of the 2008 Act;

**Connected Scheme** means a Registered Pension Scheme connected with a Final Salary Scheme, an Employer DC Scheme or a Section of the PSDC Pension within the meaning formerly set out in Section 590A(2) of the Income and Corporation Taxes Act 1988;

**Consultation Regulations** means The Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006;

**Contributions** means a Member's contributions paid or treated as paid to a Final Salary Scheme (except AVCs) together with interest at 3% (three per cent) a year (or another rate decided by the Trustee after taking the advice of the Actuary) calculated on a basis determined by the Trustee;

**Controlling Director** has the meaning given by Section 273(9) of the FA 2004. Whether a person is connected to a Controlling Director is determined in accordance with Section 993 of the Income and Taxes Act 2007;

**Defined Benefits Lump Sum Death Benefit** has the meaning given to it in paragraph 13 of Schedule 29 to the FA 2004;

**Dependant** means, in relation to a Member (which for this definition includes a Life Cover Member) and in relation to an Ex-Spouse or, according to context, an Ex-Spouse Participant:

(a) for the purpose of paying a pension:

- (i) a person who is the Member's natural or adopted child and is either under 18 (eighteen) years of age or is 18 (eighteen) or over but below age 23 (twenty-three) but receiving full-time education or vocational training; and
- (ii) a person (other than his child) who is financially dependent on the Member or a person (including his child) who is dependent on him because of disability; the Trustee may treat a person as financially dependent on the Member if in its opinion that person and the Member were financially interdependent, in particular (but without limitation) because their standard of living was maintained as a result of their joint incomes.



- (b) for the purpose of making a payment other than a pension, Dependant shall include a person who falls within (a) above and a child of the Member who is **financially dependent** in terms of (a)(ii) above;
- (c) for the purpose of Dependant's Drawdown:
  - (i) a Member's spouse or civil partner at the date of the Member's death;
  - (ii) a child of the Member who is less than 23 years old;
  - (iii) a child of the Member aged 23 or over who was dependent on the Member at the date of the Member's death because of a physical or mental impairment; or
  - (iv) a person who was not married to, a civil partner of, or a child of the Member but at the date of the Member's death was:
    - (A) financially dependent on the Member;
    - (B) in a financial relationship with the Member of mutual dependency; or
    - (C) dependent on the Member because of a physical or mental impairment;

**Dependant's Drawdown** means an income withdrawal arrangement permitted by the Trustee under Section 167 of the FA 2004, under which a drawdown pension may be paid to a Dependant;

**Dependant's Drawdown Account** means that part or all of a Member's Account which has been designated for Flexi-access Drawdown, which a Dependant designates under Rule 7.8(d) of the Money Purchase Rules or under the applicable rule in an Employer DC Scheme (as appropriate) for Dependant's Drawdown;

**Disclosure Regulations** means regulations made under Section 113 of the 1993 Act and Section 41 of the 1995 Act;

**Drawdown Lump Sum Death Benefit** means a drawdown pension fund lump sum death benefit described in Paragraph 17 or 17A of Schedule 29 of the FA 2004;

**Drawdown Member** means a Member who has entered Flexi-access Drawdown under Rule 7.8;

**Early Leaver** means a person who has been but has ceased to be an Active Member and who is entitled to benefits under a PSDC Pension Section, an Employer DC Scheme or a Final Salary Scheme (as the case may be) which have not started to be paid (or who is so treated by reason of a transfer payment received under Clause 11 (Group and individual transfers in) of the Trust Deed). It does not include a Drawdown Member;

**Earnings** is defined in Section 13 (3) of the 2008 Act, and means sums of any of the following descriptions that are payable to a person in connection with the person's employment:

- (a) salary, wages, commission, bonuses and overtime;
- (b) statutory sick pay under Part 11 of the 1992 Act;
- (c) statutory maternity pay under Part 12 of the 1992 Act;
- (d) ordinary statutory paternity pay or additional statutory paternity pay under Part 12ZA of the 1992 Act;
- (e) statutory adoption pay under Part 12ZB of the 1992 Act;
- (f) any other sums prescribed under the 2008 Act

If the 2008 Act and/or any regulations made under it are amended, so that the Earnings set out above are changed from time to time, the definition of Earnings is deemed to be amended from time to time to incorporate any such changes;

**Earnings Cap** has the meaning given to it in the FS Rules;

**Effective Date** means the date of this Trust Deed;

**Electronic Form** has the meaning given to it in Section 1168 of the 2006 Act;

**Eligible Jobholder** is a Jobholder who falls within the requirements of Section 3(1) of the 2008 Act;

**Employer Debt Regulations** means the Occupational Pension Schemes (Employer Debt) Regulations 2005;

**Employer Duties** are set out in Sections 2 to 11 (inclusive) of the 2008 Act;

**Employer Pension Scheme Reference** is defined in Regulation 1 of the Registration and Compliance Regulations;

**Employer** means at any particular time:

- (a) for the purposes of a Final Salary Scheme, the Principal Employer and the Associates. If relevant, in relation to any employee or former employee or a person claiming through him, Employer means the Employer by which, at the relevant time, he is or was last employed;
- (b) for the purposes of the PSDC Pension, an employer which has been admitted to participation or succeeded an Employer in accordance with Clauses 2.1, 2.2 or 2.7 of the Trust Deed (Qualifying Employers and substitution of an Employer); and

- (c) for the purposes of an Employer DC Scheme, an employer which has been admitted to participation or succeeded an Employer in accordance with Clauses 2.1, 2.2 or 2.7 of the Trustee Deed (Qualifying employers and substitution of an Employer);

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

**Enhanced Protection Status** has the meaning given to it in paragraph 12 of Schedule 36 to the FA 2004;

**Enrolment Date** is defined in Regulation 18(6) of the Auto-enrolment Regulations;

**Entitled Worker** is defined in Section 9 of the 2008 Act;

**Ex-Spouse** means an individual to whom Pension Credit Rights have been or are to be allocated following a Pension Sharing Order;

**Ex-Spouse Participant** is an Ex-Spouse in respect of whom the Trustee has conferred a Pension Credit Benefit in a Final Salary Scheme or a Section of the PSDC Pension. For this purpose the Ex-Spouse Participant must participate in the relevant Final Salary Scheme or Money Purchase Section or an Employer's DC Scheme or Life Cover Section, either:

- (a) solely for the provision of a Pension Credit Benefit; or
- (b) for the wholly separate provision of a Pension Credit Benefit, where benefits accrue or have accrued to that individual under the Final Salary Scheme or Money Purchase Section or an Employer's DC Scheme or Life Cover Section;

**FA 2013** Finance Act 2013;

**Fixed Protection 2014 Member** a member who gave notice of intention to rely on paragraph 1 of Schedule 22 of the FA 2013 within the time limit stipulated by HMRC and in respect of whom such protection has not subsequently been lost;

**Final Salary** for any Member of a Final Salary Scheme, is calculated as set out in that part of the FS Appendix applicable to the Final Salary Scheme for that Member. Any payment made to a Member in lieu of a period of notice he would otherwise serve is excluded, unless the Principal Employer decides to include it. For a Member to whom the Earnings Cap applies, Final Salary cannot exceed the Earnings Cap;

**Final Salary Scheme** means a Qualifying Employer's Retirement Benefits Scheme established in accordance with Clause 2.3 of the Trust Deed;

**Finance Act Lump Sum** means a lump sum permitted by Sections 166 or 168 of the FA 2004;

**Flexi-access Drawdown** means an income withdrawal arrangement permitted by the Trustee under Section 165 of the FA 2004, under which a drawdown pension may be paid if the Member meets the conditions in Section 165(2)(b)) and paragraphs 7 of Part 1 of Schedule 28 of the FA 2004;

**FS Rules** means the separate rules governing each of the Final Salary Schemes, as set out in separate Schedules to the Trust Deed;

**Gross Pay Contributions** are set out in Money Purchase Rule 3.1(c)(iv) (Gross Pay Contributions) and are one of the Alternative Requirements;

**HMRC** means Her Majesty's Revenue and Customs (and in respect of any period prior to 18 April 2005, means the Inland Revenue);

**Implementation Period** is as defined in Section 34 of the 1999 Act;

**Implementation Regulations** means the Employers' Duties (Implementation) Regulations 2010;

**Incapacity** means physical and/or mental impairment which prevents a Member from following his normal occupation or which seriously impairs his earning capacity and which satisfies the Registration Requirements. To establish Incapacity, the Trustee must have received evidence from a registered medical practitioner which complies with paragraph 1 of Schedule 28 of the FA 2004. The Trustee's decision as to whether a Member is suffering from Incapacity shall be final;

**Index** means the general index of retail prices (for all items) published by the Office for National Statistics or, any substituted index or figures published by that office (or by any replacement government-appointed body) which the Trustee may in its discretion from time to time select;

**Insolvency Event** is defined in Section 121 of the 2004 Act;

**Insurance Company** means either:

- (a) a person or body corporate which has permission under Part 4 of the 2000 Act to effect or carry out contracts of long-term insurance; or
- (b) a person or body corporate in the European Economic Area which has permission under paragraph 15 of Schedule 3 of the 2000 Act to effect or carry out contracts of long-term insurance;

**Jobholder** is defined in Section 1 of the 2008 Act and in relation to the Money Purchase Section, or Employer DC Scheme is an employee of an Employer;

**Jobholder Information** is set out in Regulation 3 of the Auto-enrolment Regulations;

**Joining Notice** means notice given by an Entitled Worker under section 9(2) of the 2008 Act and Regulation 22 of the Auto -enrolment Regulations;

**Legatees** means a person (including an unincorporated association or trust) entitled (otherwise than as a creditor) to any interest in a Member's free estate under a testamentary disposition made by the Member or as a result of his intestacy, and a person (including an unincorporated association or trust) named in a letter for the purpose signed by the Member, which has been deposited with the Trustee before the Member's death, who is approved by the Trustee after the Member's death;

**Lifetime Allowance** and **availability of the Member's Lifetime Allowance** have the meanings given in Sections 218 and 219 of the FA 2004 and the Lifetime Allowance shall be amended by any order made by the Treasury;

**Lifetime Allowance Charge** means any lifetime allowance charge that may apply under Section 215 of the FA 2004;

**Life Cover Employer** means a Participating Employer which has been admitted to participation in the Life Cover Section of the PSDC Pension;

**Life Cover Member** person who has been admitted to membership of the Life Cover Section for the purpose of lump sum death benefit;

**Life Cover Policy** means the policy or policies for the time being in force in connection with the Life Cover Section and effected by the Trustee with an Insurance Company to secure benefits in accordance with the Life Cover Rules. The Life Cover Policy must satisfy the Registration Requirements and the applicable requirements of legislation. The amount of the cover and the terms applying to it will depend on the underwriting requirements of the Insurance Company, and any terms imposed by the Trustee;

**Life Cover Rules** means the rules relating to the Life Cover Section set out in Section 3 of Schedule 6;

**Life Cover Section** means that PSDC Pension Section comprising any contributions made to provide insurance cover for lump sum death benefits and the liabilities under that Section relating to those contributions;

**Marriage Act** means the Marriage (Same Sex Couples) Act 2013;

**Member:**

- (a) for the purposes of the Money Purchase Section, an Active Member, an Early Leaver, or a Drawdown Member, or any one or more of them as the context requires;
- (b) for the purposes of a Employer DC Scheme, an Active Member, Early Leaver or a Drawdown Member who has entered Flexi-access Drawdown;
- (c) for the purposes of the Life Cover Section, a Life Cover Member; and
- (d) for the purposes of a Final Salary Scheme, means an employee admitted to membership of a Final Salary Scheme;

**Minimum Contributions** are set out in Money Purchase Rule 3.1.3 (a) and the applicable Employer DC Scheme rule, and reflect the quality requirement set out in Section 20 of the 2008 Act;

**Minimum Pension Age** means:

- (a) age 50 before 6 April 2010; and
- (b) age 55 on and after that date;

unless a Member has a **protected pension age** under Schedule 36 of the FA 2004. Minimum Pension Age does not apply where the definition of Incapacity applies;

**Money Purchase Active Member** means an Active Member who is a Money Purchase Member;

**Money Purchase Account** means assets representing that part of a Money Purchase Member's Account which relates to contributions or transfer made by or on behalf of him to the Money Purchase Section (formerly called the Unit Linked Section);

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

**Money Purchase Early Leaver** means an Early Leaver who is a Money Purchase Member;

**Money Purchase Employer** means a Participating Employer which has been admitted to participation in the Money Purchase Section;

**Money Purchase Member** means a person who has been admitted to membership of the Money Purchase Section under Money Purchase Rule 2;

**Money Purchase Rules** means the Rules relating to the Money Purchase Section which are set out in Section 1 of Schedule 5;

**Money Purchase Section** means the PSDC Pension Section which comprises assets representing contributions or transfers made to a Money Purchase Account. In relation to Money Purchase Active Members and Money Purchase Early Leavers, the relevant amount will be the amount of that Money Purchase Account;

**Negative Deferred Pension** means the amount by which the Member's pension, deferred pension and/or Account under a Final Salary Scheme, an Employer DC Scheme or the Money Purchase Section which arises from Employment is reduced at the Relevant Date in accordance with Section 31 of the 1999 Act following a Pension Sharing Order. For this purpose, Employment includes all periods of Employment with other employers where a transfer payment has been made to a Final Salary Scheme or the Money Purchase Section or an Employer DC Scheme in respect of that other employment;

**Normal Retirement Date** means:

- (a) For the purposes of the PSDC Pension and an Employer DC Scheme the later of (I) a Member's 65th (sixty-fifth) birthday and (II) the Member's State Pension Age. The Trustee may agree with a Participating Employer a different Normal Retirement Date for some or all of the employees of that Participating Employer who are Members of a particular Section. Unless otherwise agreed in a particular case, a Member's Normal Retirement Date will be treated as his last day in employment; and
- (b) for the purposes of a Final Salary Scheme, for any Member it is the normal retirement date set out in that part of the FS Rules applicable to that Member;

**Opt-in Notice** means a notice which a Jobholder gives to his employer under Section 7 of the 2008 Act and Regulation 18 of the Auto-enrolment Regulations;

**Opt-out Notice** means a notice which a Money Purchase Active Member or Employer DC Scheme Active Member gives under Section 8 of the 2008 Act and Regulation 9 of the Auto-enrolment Regulations;

**Ordinary Maternity Leave** is defined in Section 71 of the 1996 Act;

**Ordinary Paternity Leave** means the statutory entitlement to ordinary paternity leave under sections 80A and 80B of the 1996 Act and the Paternity and Adoption Leave Regulations 2002;

**Paid Adoption Leave** means any period where the Member is absent from work in accordance with paragraph 5B of Part 1 of Schedule 5 to the Social Security Act 1989 and for which the Member's Employer pays him any statutory adoption pay, or contractual remuneration;

**Paid Paternity Leave** means any period where the Member is absent from work in accordance with paragraph 5(A)(5), 5(A)(6) or 5(A)(7) of Part 1 of Schedule 5 to the Social Security Act

1989 and for which the Member's Employer pays him any statutory paternity pay, additional statutory paternity pay or contractual remuneration;

**Participating Employer** means a Qualifying Employer which is participating or has participated in one or more of the Money Purchase Section, an Employer DC Scheme and the Life Cover Section or a Final Salary Scheme and for the avoidance of doubt includes a Principal Employer. In relation to a particular Member of a Final Salary Scheme it means the Participating Employer by whom he is employed, or was last employed;

**Parental Leave** is referred to in Section 76 of the 1996 Act;

**Part-time Employment** means, for the purposes of a Final Salary Scheme, Employment under a contract of employment pursuant to which an employee works less than the standard full-time number of hours, as determined by the Employer;

**Pay Reference Period** is determined under section 15 of the 2008 Act and the Auto-enrolment Regulations and if the 2008 Act and/or the Auto-enrolment Regulations are changed from time to time, the definition of Pay Reference Period is deemed to be amended from time to time to incorporate any such changes. An Employer may with the consent of the Trustee, select a Pay Reference Period so far as the Auto-enrolment Regulations allow;

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

**Pension Commencement Lump Sum** means a pension commencement lump sum within the meaning of paragraph 1 of Schedule 29 to the FA 2004. The maximum amount payable is the permitted maximum under paragraph 2 of Schedule 29 to the FA 2004 appropriately increased in respect of an individual who was a Member on 5 April 2006 and to whom paragraphs 31 to 34 (Entitlement to lump sums exceeding 25% of uncrystallised rights) of Schedule 36 to the FA 2004 apply;

**Pension Credit** means a credit under Section 29(1)(b) of the 1999 Act;

**Pension Credit Benefit**, in relation to a scheme, 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 Rights** means rights to future benefits under a scheme which are attributable (directly or indirectly) to a Pension Credit;

**Pension Debit** means a debit under Section 29(1)(a) of the 1999 Act;

**Pension Protection Lump Sum Death Benefit** means a benefit as defined in paragraph 14 of Schedule 29 to the FA 2004;



**Pensionable Employment** means, for the purposes of a Final Salary Scheme, a Member's last or only period of membership of the relevant Final Salary Scheme to which he is paying contributions the under FS Rules. Except that any period of the Member's Pensionable Employment which is Part-time Employment, a Member's Pensionable Employment is counted in complete years and months (each month being one-twelfth of a year) and must not exceed 40 years. It ends at the earliest of his death, retirement from Employment, his Normal Retirement Date (subject to the FS Rules) and the effective date of a notice to leave the Final Salary Scheme under the FS Rules. Any period of the Member's Pensionable Employment which is Part-time Employment is calculated as set out in the definition of Scale Pension;

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

**Pensioner** means:

- (a) in respect of a Final Salary Scheme, a person who has been an Active Member and to whom a pension is being paid (or a person who is so treated by reason of transfer payment received under Clause 11 of the Trust Deed (Group and individual transfers in)); and
- (b) any person who is receiving a pension from a Final Salary Scheme to which he or she is entitled following the death of a Final Salary Scheme Member;

**Personal Pension Scheme** means a personal pension scheme as defined in Section 1 of the 1993 Act, which has been registered with HMRC and which meets the Registration Requirements;

**Policy** means a policy of insurance, an annuity contract or a transfer to a drawdown facility in the Money Purchase Section. References to buying a policy include entering into an annuity contract. The policy must satisfy the Registration Requirements and the applicable requirements of legislation;

**Principal Employer** means, in relation to each Final Salary Scheme or Employer DC Scheme, the Qualifying Employer which established the scheme (or the Qualifying Employer substituted for it in accordance with Clause 2.6 of the Trust Deed);

**Preservation Requirements** means the requirements of the 1993 Act and the Occupational Pension Schemes (Preservation of Benefits) Regulations 1991;

**PSDC Pension** means the scheme established as a separate pension scheme under the umbrella of The Punter Southall Aspire Master Trust, and which comprises the Money Purchase Section, and the Life Cover Section. Individual Accounts are maintained in the Money Purchase Section which are used to provide benefits (including by way of purchase of a Policy) for a Money Purchase Member on retirement;

**PSDC Pension Rules** means the Life Cover Rules, and the Money Purchase Rules, all as set out in the Schedule 6 to the Trust Deed;

**PSDC Pension Section** means a Section of the PSDC Pension;

**Qualified Member** means an Active Member who has completed at least 2 (two) years' qualifying service, as defined in Section 71 of the 1993 Act, or in respect of whom a transfer payment from a Personal Pension Scheme has been made to the Money Purchase Section, an Employer DC Scheme or a Final Salary Scheme;

**Qualifying Earnings** means

- (a) in a Pay Reference Period of 12 (twelve) months that part (if any) of the gross Earnings payable to that person in that period that is consistent with the 2008 Act and/or any regulations made under it as amended, so that the Qualifying Earnings are changed from time to time, and the definition of Qualifying Earnings is deemed to be amended from time to time to incorporate any such changes; and
- (b) In the case of a Pay Reference Period of less or more than 12 (twelve) months, (1) above applies as if the amounts minimum and maximum were proportionately less or more;

**Qualifying Employer** means an employer falling within one of the categories set out in Clause 2.1 of the Trust Deed;

**Qualifying Person** has the definition given to it in the Occupational Pension Scheme (Cross Border Activities) Regulations 2005;

**Qualifying Scheme** means a scheme which fulfils the requirements of Section 16 of the 2008 Act;

**Qualifying Service** is defined in Section 101AA of the 1993 Act;

**Recognised Transfer** means a transfer which satisfies the terms of Section 169 of the FA 2004;

**Re-enrolment Eligible Jobholder** means a Jobholder who is eligible for automatic re-enrolment under Section 5 of the 2008 Act;

**Refund Date** is defined in Regulation 11 of the Auto-enrolment Regulations;

**Registered Pension Scheme** means a pension scheme as defined in Section 150 of the FA 2004 which is registered under Chapter 2 of the FA 2004;

**Registration and Compliance Regulations** means the Employer Duties (Registration and Compliance) Regulations 2010;

**Registration Requirements** means the requirements of HMRC to obtain or maintain registration under Section 153 of the FA 2004 from time to time and includes such rules, practices, actions or decisions relating to entitlement to or payment of benefits insofar as the Trustee decides compliance is necessary or desirable to seek to secure any tax relief or exemption available under Part 4 of the FA 2004 or to seek to prevent any charge to tax arising under the FA 2004, whoever is liable in relation to such charge;

**Regulator** has the meaning given to it in Section 1 of the 2004 Act;

**Relatives** means a Member's spouse or civil partner, a Member's grandparents, the grandparents of the Member's spouse or civil partner, the descendants of any of those grandparents and the spouse of any of them. For this purpose (a) a relationship acquired by process of legal adoption is valid and (b) a stepchild is deemed to be a descendant;

**Relevant Date** means the date on which the Member ceases to be a Member of a particular Final Salary Scheme, Employer DC Scheme or a PSDC Pension Section;

**Restricted Member** means a Member whose benefits have been permanently reduced by a Pension Debit and who is either:

- (a) a Member who is a Special Director at the date on which the marriage was dissolved or annulled or at any time within the period of 10 (ten) years before that date; or
- (b) a Member whose earnings at the date at which his marriage was dissolved or annulled exceeded  $\frac{1}{4}$  (one quarter) of the Earnings Cap for the year of assessment in which the dissolution or annulment occurred. Earnings for these purposes shall be taken to be the total emoluments:
  - (i) which were paid to the Member in consequence of Employment to which the Final Salary Scheme, Employer DC Scheme or a PSDC Pension Section relates during the tax year of assessment before the tax year of assessment in which the marriage was dissolved or annulled; and
  - (ii) from which tax was deducted in accordance with the Income Tax (Employments) Regulations 1993;

**Retirement Benefits Scheme** means an occupational pension scheme as defined in Section 150(5) of the FA 2004, which is a Registered Pension Scheme;

**Revaluation Requirements** means the law as to the revaluation of benefits set out in Chapter 11 of Part IV of the 1993 Act;

**Rules** means the separate sets of rules adopted by the Trustee identified as the PSDC Pension Rules which comprise the Life Cover Rules, and the Money Purchase Rules, the Employer DC Scheme Rules, or the FS Rules (as the context requires);

**Salary** means, for the purposes of a Final Salary Scheme, the salary as defined in that part of the FS Rules applicable to each Member;

**Same Sex Spouse** means, in relation to a Member or Ex-Spouse Participant, a person of the same sex who is married to him in accordance with the extension of marriage to same sex couples under the Marriage Act. In relation to a deceased Member or Ex-Spouse Participant, it means a person of the same sex who was married to him at the date of his death in accordance with the extension of marriage to same sex couples under the Marriage Act;

**Scale Pension** means, for the purposes of a Final Salary Scheme, the fraction set out in that part of the FS Rules applicable to the Member of a Member's Final Salary multiplied by the period of his Pensionable Employment. For this purpose:

- (a) any period of the Member's Pensionable Employment which is Part-time Employment is:
  - (i) calculated in days and then multiplied by PT/FT;
  - (ii) the result of (i) above is divided by 30.5 (thirty and one-half) and the resulting figure is rounded down to find the total full time equivalent service in months;
  - (iii) any days lost through rounding down in (ii) above are added together and allocated to a period of service selected by the Trustee; and
- (b) if any earnings to be taken into account in calculating Final Salary are earned while the Member is in Part-time Employment, they are multiplied by FT/PT;
- (c) where:
  - PT = the number of hours the Member works (or is deemed to work if absent for a permitted reason) under his contract of employment in each week or month (as appropriate) during the period of his Part-time Employment; and
  - FT = the number of hours in the standard full-time working week or month (as appropriate) as determined for the Member by the Employer;
- (d) If the ratio PT:FT changes during Pensionable Employment, a separate calculation must be made under (a) above in respect of the period of Pensionable Employment before and after the change; and

- (e) If the ratio PT:FT changes during the period over which earnings are taken into account in calculating Final Salary, a separate calculation must be made under (b) above in respect of the relevant period before and after the change;

**Schedule** means a schedule to the Trust Deed;

**Scheme Administration Regulations** means the Occupational Pension Schemes (Scheme Administration) Regulations 1996;

**Section** means a PSDC Pension Section which may be the Money Purchase Section or the Life Cover Section, as the context requires;

**Section 75** means Section 75 of the 1995 Act;

**Serious Ill-health Lump Sum** has the meaning given to it in paragraph 4 of Schedule 20 to the FA 2004;

**Spouse** means:

- (a) for the purposes of a Final Salary Scheme, a Member's widow or widower who, at the date of his death, is in the Trustee's opinion either living with him or financially dependent on him. The widow or widower must be married to a Member at the date of his death. In the case of a Member who remains in Employment after the Normal Retirement Date, the marriage must have taken place before the Normal Retirement Date. In the case of a Member entitled to a deferred pension or a Member receiving a pension, the widow or widower must be married to the Member at the date of the Member's death, such marriage having taken place both before the Member left Employment and on or before the Normal Retirement Date.
- (b) If a Member is survived by 2 (two) or more spouses of valid polygamous marriages and more than one of them was, in the Principal Employer's opinion, living with him or financially dependent upon him, the Principal Employer must decide which one or more of those spouses shall be treated as a Spouse. If a Member is not survived by a Spouse, the Trustee may, if the Principal Employer agrees, treat as his Spouse any person (subject to meeting the Registration Requirements) who in the Principal Employer's opinion is financially dependent on him or financially interdependent with him at the date of his death. This definition is subject to Rule 18 (Civil partners) of Schedule 7 in respect of civil partners.
- (c) For the purposes of Schedule 4, the Ex-Spouse Participant's widow or widower;

**Stand-Alone Lump Sum** means a stand-alone lump sum within the meaning of and subject to the provisions and limits set out in articles 25 to 25D of The Taxation of Pension Schemes (Transitional Provisions) Order 2006;

**State Pension Age** means the date on which pensionable age is attained in accordance with paragraph 1 of Part 1 of Schedule 4 to the 1995 Act;

**Total Pension Input Amount** means the total pension input amount as defined in Section 229 of the FA 2004;

**Transfer Notice** is as defined in Section 101F of the 1993 Act;

**Transitional Period** has the meaning given by section 29 of the 2008 Act and Regulation 32L of the Auto-enrolment Regulations. During the Transitional Period, Minimum Contributions and the Alternative Requirements, and consequently Rule 3.1 (Auto-enrolled Member) of the Money Purchase Rules is amended as follows:

Money Purchase Rule	First transitional period from Auto-enrolment Date to 30 September 2017 inclusive	Second transitional period from 1 October to 30 September 2018 inclusive
Rule 3.1.3(a)(i)	for "3%" read "1%"	for "3%" read "2%"
Rule 3.1.3(a)(ii)	for "8%" read "2%"	for "8%" read "5%"
Rule 3.1.3(b)(i)	for "4%" read "2%"	for "4%" read "3%"
Rule 3.1.3(b)(ii)	for "9%" read "3%"	for "9%" read "6%"
Rule 3.1.3(c)(i)	for "3%" read "1%"	for "3%" read "2%"
Rule 3.1.3(c)(ii)	for "8%" read "2%"	for "8%" read "5%"
Rule 3.1.3(d)(i)	for "3%" read "1%"	for "3%" read "2%"
Rule 3.1.3(d)(ii)	for "7%" read "2%"	for "7%" read "5%"

**Treasury** means the Treasury Department of Her Majesty's Government;

**Trivial Commutation Lump Sum** has the meaning given to it in paragraph 7 of Schedule 29 to the FA 2004;

**Triviality** means commutation on grounds of a payment being a Trivial Commutation Lump Sum Death Benefit and satisfying the Registration Requirements. The amount of the payment shall be determined by the Trustee;

**Trustee** means The Punter Southall Aspire Pension Trust Company Limited or its successor in title;

**Trustee Director** means a director of the Trustee, and **Trustee Directors** means two or more directors;

**Unauthorised Member Payment** means an unauthorised member payment within the meaning of Section 160(2) of the FA 2004;

**Unauthorised Payment** means an unauthorised payment within the meaning of Section 160 of the FA 2004;

**Uncrystallised Funds Lump Sum Death Benefit** has the meaning given to it by Schedule 29 of the FA 2004;

**Uncrystallised Funds Pension Lump Sums** means an uncrystallised fund pension lump sum which is described in and subject to the conditions set out in paragraph 4A of Part 1 Schedule 29 of the FA 2004;

**Unpaid Contributions Notice** is defined in Section 37 of the 2008 Act;

**Winding-up Lump Sum** means a lump sum payable when a scheme is winding-up to extinguish a Member's entitlement to benefits, which satisfies paragraph 10 of Schedule 29 to the FA 2004;

**Winding-up Lump Sum Death Benefit** means a lump sum not exceeding 1% (one per cent) of the Lifetime Allowance, payable to a Dependant when a scheme is winding-up, to extinguish the Dependant's entitlement to benefits, which satisfies paragraph 21 of Schedule 29 of the FA 2004;

**Worker Information** is specified in Regulations 23 and 3 of the Auto-enrolment Regulations.

## **2 Interpretation**

In the Trust Deed, the Schedules and the Appendices, where the context requires:

- (a) a reference to an Act includes any regulations made under it;
- (b) any reference to any legislation includes any modification or re-enactment for the time being in force, and any corresponding provision of any previous legislation;
- (c) where the legislation applies to part only of the United Kingdom, any corresponding provision of any legislation applying to any other part of the United Kingdom;
- (d) words importing any gender include every gender and words in the singular include the plural (and vice versa);
- (e) footnotes are not part of any Rule or definition, and are purely a summary or description of legislation as it stands at the date of execution of this Trust Deed, and may not be used to assist in the construction of any Rule or definition, nor does a footnote by itself create any rights, obligations, or benefits.
- (f) Same Sex Spouses
  - (i) Under section 11 of the Marriage Act which came into force on 13 March 2014, marriage has the same effect in relation to same sex couples as it has in relation to opposite sex couples. Schedule 3 of the Marriage Act sets out interpretation provisions relating to section 11. The interpretation provisions of Schedule 3 are hereby disapplied and the Trust Deed and the Rules shall continue to apply in the same way as they did before section 11 and Schedule 3 came into force. Any reference in the Trust Deed and Rules to "Spouse", "widow", "widower", or any reference to marriage of any person, is to be read as a marriage of an opposite sex couple. This sub-rule 2(f)(i) is subject to 2(f)(ii).
  - (ii) With effect on and from 27 March 2014, a Same Sex Spouse shall be treated in all respects in the same way as a civil partner or a surviving civil partner as appropriate.



**Schedule 2**  
**Provisions Relating to the Common Investment Fund of the Final Salary**  
**Schemes**

**1 Definitions**

The following definitions apply for the purposes of this Schedule:

**Sub-Fund** means a separate pool of assets and liabilities recorded in the books and records of the Trustee in accordance with the provisions of this Schedule; and

**Unit** means one undivided share in a Sub-Fund of the Common Investment Fund.

**2 Pooled basis**

Subject to Rules 3 and 4 of this Schedule, the Trustee shall invest the assets of all Final Salary Schemes on a pooled basis by means of the Common Investment Fund established pursuant to and in accordance with the provisions of this Schedule.

**3 Exclusions**

The Trustee may exclude from investment in the Common Investment Fund or any Sub-Fund, as the case may be:

- (a) any assets of a Final Salary Scheme required for the purpose of discharging its liabilities (current or expected) or for the purposes of meeting expenses;
- (b) any insurance policy or contract acquired for the purpose of reinsuring a liability of a Final Salary Scheme or of investing all or part of a transfer payment received by a Final Salary Scheme;
- (c) assets of a Final Salary Scheme which is not a Registered Pension Scheme;
- (d) assets of a Final Salary Scheme which has terminated under Clause 29 of the Trust Deed (Termination of a Final Salary Scheme); and
- (e) all, or any part of, the assets of a Final Salary Scheme which the Trustee determines shall not be invested on a pooled basis by means of the Common Investment Fund.

**4 Registered Scheme status**

The Trustee shall not invest any assets of a Final Salary Scheme by means of the Common Investment Fund, or any particular Sub-Fund, if to do so would affect its status as a Registered Scheme.

## **5 Sub-Funds**

The Common Investment Fund shall comprise separate Sub-Funds (which may be invested through an investment platform provider), which may be established from time to time by the Trustee.

## **6 Asset allocation**

The assets of each Final Salary Scheme shall be allocated by the Trustee across one or more Sub-Funds in accordance with the provisions of this Schedule. The proportionate share of a Sub-Fund attributed to each Final Salary Scheme from time to time shall be identified by the Trustee by recording the Final Salary Scheme as the holder of the appropriate number of Units in respect of the Sub-Fund in question.

## **7 New Sub-Funds**

Following the creation of any new Sub-Fund, all amounts allocated from time to time to that Sub-Fund on behalf of each Final Salary Scheme, together with any monies, assets or investments in which such allocations are invested or reinvested, and all income, earnings, profits and proceeds thereof shall be pooled and kept separate from all other monies, investments and assets of each other Sub-Fund in the books and records kept by the Trustee pursuant to Rule 8 (Records) of this Schedule. For the avoidance of doubt, all assets of each Sub-Fund are held by the Trustee under the trusts constituting The Punter Southall Aspire Master Trust and governing the Final Salary Schemes and assets attributed to each Sub-Fund are not subject to any additional trusts. Any asset derived from any other asset (whether cash or otherwise) comprised in any Sub-Fund shall be applied in the books kept by the Trustee pursuant to Rule 8 (Records) of this Schedule, to the same Sub-Fund as the asset from which it was derived and any increase or diminution in the value of such asset shall be applied to the relevant Sub-Fund.

## **8 Records**

For each Sub-Fund, the Trustee shall keep books and records in which:

- (a) the number of Units attributed to each Final Salary Scheme in respect of the relevant Sub-Fund are recorded; and
- (b) all transactions relating to the relevant Sub-Fund shall be separately recorded and the assets and the liabilities, income and expenditure attributable to that Sub-Fund (including the costs and expenses relating to the acquisition and disposal of any Investment attributable to the Sub-Fund) shall be applied or charged to such Sub-Fund subject to the provisions of this Schedule.

## **9 Fees**

All fees and expenses properly incurred in the establishment, operation and administration of the Common Investment Fund and each Sub-Fund shall be met out of the assets of the Final Salary Schemes of The Punter Southall Aspire Master Trust as determined by the Trustee. Each Sub-Fund shall be charged with the fees and expenses and other liabilities of The Punter Southall Aspire Master Trust in respect of or attributable to that Sub-Fund and a proportion of The Punter Southall Aspire Master Trust's general fees, expenses and liabilities in accordance with Rule 10 below, except where the Trustee determines that such fees, expenses or liabilities (or a proportion thereof) shall be borne by one or more Final Salary Schemes.

## **10 Reallocation**

Any income, assets, fees and expenses and other liabilities that are not attributable to one Sub-Fund only, may be reallocated by the Trustee proportionately across each Sub-Fund in existence in relation to each accounting period or the relevant proportion thereof (where a particular Sub-Fund is not in existence for the entire accounting period). The Trustee may adopt a method of calculating the proportion of such income or assets to be allocated, or fees and expenses and other liabilities to be apportioned, between Sub-Funds which is different to that set out above, provided that the Trustee is satisfied that such method is fair as between the Final Salary Schemes generally and that it is reasonable to adopt such method in the given circumstances.

## **11 Investment**

The assets attributed to each Sub-Fund shall be invested on the terms determined from time to time in writing by the Trustee.

## **12 Administration of Sub-Funds**

Subject to the Trust Deed, the Trustee shall administer the Common Investment Fund and each Sub-Fund in its complete discretion from time to time (including in relation to the valuation of assets and Units and the issue and redemption of Units and which need not be the same for each Sub-Fund); provided that such administration shall be in accordance with policies which are fair and reasonable as between the Final Salary Schemes. For the avoidance of doubt, Units shall only be transferable between Final Salary Schemes as may be decided by the Trustee and shall not be issued or transferred to third parties.

## **13 Investment statement**

The Trustee shall issue to each Principal Employer an investment statement at least once every twelve months setting out the number and value of Units in each Sub-Fund allocated to the

relevant Final Salary Scheme established by the Principal Employer and any transactions affecting such Units since the date of the last statement.

**Schedule 3**  
**HMRC Limits and Tax**

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## **1 Overriding**

- 1.1 This Schedule overrides all other provisions of The Punter Southall Aspire Master Trust, except to the extent that it would conflict with the 1993 Act and Clause 24 (Alterations) and Clause 21.4 (Jobholders) of the Trust Deed.
- 1.2 In this Schedule reference to **The Punter Southall Aspire Master Trust** means in respect of any Member, Benefit Recipient or Participating Employer, the particular Final Salary Scheme, or Employer DC Scheme, or the PSDC Pension, Benefit Recipient or Participating Employer, as appropriate.

## **2 Tax in respect of the payment of benefits from The Punter Southall Aspire Master Trust**

- 2.1 Benefit Recipients shall be responsible for the payment of any tax which arises on or in respect of any benefit paid to or in respect of such individuals. The Trustee may withhold the payment of any benefit under The Punter Southall Aspire Master Trust or part thereof until the Trustee is satisfied that the payment of the benefit will not result in a tax liability becoming due from the Trustee or The Punter Southall Aspire Master Trust under the FA 2004 or otherwise. The Trustee shall be entitled to deduct the amount of any tax payable from any present or future benefits to which such individuals are entitled, and may, in respect of a PSDC Pension Member, deduct tax from the Member's benefits under any or all Sections of which he is a Member. The Trustee may postpone any payment of any benefits under The Punter Southall Aspire Master Trust until the amount of, and liability for, any tax has been determined.
- 2.2 The Trustee shall be entitled to deduct from a Benefit Recipient's benefits any Lifetime Allowance Charge which reflects any liability of the administrator of The Punter Southall Aspire Master Trust for the purposes of Section 270 of the FA 2004 where that Benefit Recipient's remaining Lifetime Allowance (if any) is exceeded as a result of his membership of The Punter Southall Aspire Master Trust and/or any other Registered Pension Scheme.
- 2.3 None of the Trustee, The Punter Southall Aspire Master Trust nor any Participating Employer shall be liable for any tax that becomes due if the Lifetime Allowance Charge is due to the payment of a relevant lump sum death benefit (within the meaning of Schedule 32 to the FA 2004) on a Benefit Recipient's death where the recipient may be liable.
- 2.4 If the Total Pension Input Amount in respect of a Benefit Recipient's membership of The Punter Southall Aspire Master Trust and any other Registered Pension Scheme exceeds the Annual Allowance, any tax that becomes due as a result shall be payable by that Benefit Recipient.
- 2.5 The Trustee shall not be bound to enquire whether:

- (a) contributions are being paid or have been payable in respect of a Benefit Recipient to any other Registered Pension Scheme; and/or
  - (b) benefits are applicable in respect of a Benefit Recipient from any other Registered Pension Scheme.
- 2.6 None of the Trustee, The Punter Southall Aspire Master Trust nor the Participating Employers shall be liable for any tax which becomes due as a result of a Benefit Recipient's Total Pension Input Amount exceeding the Annual Allowance in respect of that Benefit Recipient.
- 2.7 If for any reason a Member incurs an Annual Allowance Charge which the Trustee becomes jointly liable to pay, the Trustee must apply the Member's benefits in such manner as it shall determine to satisfy all or part of the Member's liability to the Annual Allowance Charge, either on a voluntary basis or pursuant to a liability under section 237B of the FA 2004.
- 2.8 Subject to compliance with section 159 of the 1993 Act (inalienability of guaranteed minimum pension etc), where Rule 2.7 applies, The Punter Southall Aspire Master Trust's rules shall be modified so as to allow for a consequential adjustment to be made to the entitlement of the Member to benefits under The Punter Southall Aspire Master Trust on a basis that is just and reasonable having regard to normal actuarial practice.
- 2.9 In discharging the powers set out in Rules 2.8 and 2.9, the Trustee and Employer may rely on any information provided by the Member (or his personal representatives). If the Member becomes liable to pay any charge or penalty notice in connection with an Annual Allowance Charge for which the Trustee has become jointly liable under Rule 9.2 (including an Unauthorised Payments Charge), neither the Trustee nor the Employer is liable to pay such charge or penalty if either has relied in good faith on information provided to them by the Member (or his personal representatives).

### **3 Lifetime allowance excess lump sum**

Where a Member has no available Lifetime Allowance, the Trustee may, if the Member agrees, pay a lifetime allowance excess lump sum (within the meaning of Schedule 29 to the FA 2004) to the Member, instead of all or any of such benefits which are subject to the Lifetime Allowance Charge, subject to satisfying the Registration Requirements. The Trustee shall determine the amount after taking actuarial advice. The Trustee shall deduct any tax for which it or The Punter Southall Aspire Master Trust may be accountable in respect of the payment.

### **4 Refund of excess contributions lump sum**

Where a Member has paid contributions which exceed the maximum amount for which he may receive tax relief, the Trustee may pay a refund of excess contributions lump sum (within the meaning of Schedule 29 to the FA 2004) to the Member, where this would satisfy the

Registration Requirements. The Trustee shall determine the amount after taking actuarial advice. The Trustee may at its discretion add such interest as the Trustee shall consider reasonable, where the Trustee is satisfied that such interest would qualify as a scheme administration payment (within the meaning of Section 171 of the FA 2004). Any tax which becomes payable as a result of making such a scheme administration payment shall be payable by the Member.

## **5 Other pension arrangements**

If requested by the Trustee, a Benefit Recipient shall inform the Trustee in writing of his participation in any other Registered Pension Scheme in addition to his membership of The Punter Southall Aspire Master Trust or subsequent to his membership of The Punter Southall Aspire Master Trust. The Trustee shall not be liable for any tax or losses occasioned by a failure to do so.

## **6 Unauthorised Payments**

- 6.1 Notwithstanding any other provisions of The Punter Southall Aspire Master Trust, there shall be no right for any person to receive a payment from The Punter Southall Aspire Master Trust which would be an Unauthorised Payment.
- 6.2 Any provision (however framed) in The Punter Southall Aspire Master Trust, including the FS Rules, as they stood immediately before 6 April 2006 (and as re-stated in the Trust Deed) which would require the Trustee (a) to make a payment which would be an Unauthorised Payment; or (b) to make such a payment if the consent of the Participating Employer or any other person was given for their doing so, shall be construed as conferring a discretion upon the Trustee to make that payment.
- 6.3 Neither the Trustee nor the Participating Employers shall be liable for any loss caused to any person whether or not they exercise their powers under Rule 6 of this Schedule.
- 6.4 Subject to Rule 6.1 of this Schedule, the Trustee may decide to make an Unauthorised Member Payment from The Punter Southall Aspire Master Trust to the extent that it is referable to subsisting rights (within the meaning of Section 67A(6) of the 1995 Act) which have accrued under defined benefits arrangements before 6 April 2006, or to contributions which have been paid to The Punter Southall Aspire Master Trust under money purchase arrangements before 6 April 2006.
- 6.5 Subject to Rule 6.1 of this Schedule, the Trustee may, in its discretion, make a payment (or take other action not involving a payment) to or in respect of a Member which would be treated as an Unauthorised Payment, whether or not otherwise provided for under The Punter Southall Aspire Master Trust, provided that:



- (a) the Member (or if the Member is dead, the other person concerned) consents in writing;
- (b) the Trustee may require the Member (or if the Member is dead, the other person concerned) to provide a complete written discharge and indemnity to the Trustee in respect of all and any taxes or charges relating to the Unauthorised Payment (except that such indemnity shall not apply to any scheme sanction charge under Section 239 and Section 240 of the FA 2004 that would apply to The Punter Southall Aspire Master Trust in connection with the Unauthorised Payment); and
- (c) the Trustee may deduct an amount equal to the scheme sanction charge under Section 239 and Section 240 of the FA 2004 that would apply to The Punter Southall Aspire Master Trust in respect of the Unauthorised Payment.

## **7 Member who qualifies for Enhanced Protection Status**

- 7.1 This Rule applies in relation to a Member who qualifies for Enhanced Protection Status and who has informed the Trustee in writing of such qualification. Payments and contributions under The Punter Southall Aspire Master Trust in respect of such a Member shall be limited to the extent necessary so that Enhanced Protection Status continues to apply, unless specifically agreed otherwise by the Member, Participating Employer and the Trustee.
- 7.2 None of the Trustee, the Participating Employers or The Punter Southall Aspire Master Trust (or persons acting on behalf of such parties) shall incur any liability for relying on information provided either by the Member or on the Member's behalf or where the Member has failed to advise the Trustee in writing of his Enhanced Protection Status.

## **8 Member who qualifies for Fixed Protection Status**

- 8.1 For a Member with Fixed Protection Status, the Trustee may restrict contributions to The Punter Southall Aspire Master Trust, benefits paid from The Punter Southall Aspire Master Trust and transfers made into and out of The Punter Southall Aspire Master Trust to the extent necessary to ensure paragraph 14 of Schedule 18 to the FA 2011 does not stop applying to that Member unless he consents in writing.
- 8.2 In applying Rule 8.1, the Trustee may rely on information provided by the Member with Fixed Protection Status (or his personal representatives) and if a Lifetime Allowance Charge is levied on that Member, neither the Trustee nor the Employer is liable to pay the Lifetime Allowance Charge if either has relied in good faith on the information provided by the Member with Fixed Protection Status (or his personal representatives).

## **9 Fixed Protection 2014 Members**

- 9.1 For a Fixed Protection 2014 Member, any reference in this deed to the Lifetime Allowance means the lifetime allowance that applies to the Fixed Protection 2014 Member in accordance with paragraph 1 of Schedule 22 to the FA 2013.
- 9.2 For a Fixed Protection 2014 Member, the Trustee may restrict contributions to The Punter Southall Aspire Master Trust, benefits paid from The Punter Southall Aspire Master Trust and transfers made into and out of the Scheme (including through applying the power in paragraph 2.1) to the extent necessary to ensure paragraph 1 of Schedule 22 to the FA 2013 does not stop applying to that Fixed Protection 2014 Member unless he consents in writing.
- 9.3 In applying paragraph 9.2, the Trustee and Employer may rely on information provided by a Fixed Protection 2014 Member (or his personal representatives) and if a Lifetime Allowance Charge is levied on a Fixed Protection 2014 Member, neither the Trustee nor the Employer is liable to pay the Lifetime Allowance Charge if either has relied in good faith on information provided by him.
- 9.4 When a Fixed Protection 2014 Member wishes to claim benefits under The Punter Southall Aspire Master Trust, he must give to the Trustee:
- (a) the reference number issued by HMRC under regulation 5 of the Registered Pension Schemes and Relieved Non-UK Pension Schemes (Lifetime Allowance Transitional Protection) (Notification) Regulations 2013 (SI 2013/1741) in respect of his claim to protection under those regulations; and
  - (b) the information requested by the Trustee.

## **10 Where Member's benefits not in payment by age 75**

- 10.1 If a Member's benefits have not become payable before age 75 (seventy-five), the Trustee shall treat the Member as having transferred from the relevant scheme or section and shall maintain the Member's Account. The Trustee shall first deduct and account for any Lifetime Allowance Charge.
- 10.2 No Pension Commencement Lump Sum may be paid, nor may any other lump sum be paid unless it would be an authorised lump sum under the FA 2004.

## **11 Registration**

- 11.1 The Trustee shall ensure that each Final Salary Scheme, Employer DC Scheme and the PSDC Pension is registered with HMRC in accordance with Section 153 of the FA 2004.

- 11.2 The Trustee shall comply with the Registration Requirements and shall provide HMRC with such information as it shall from time to time require.

**Schedule 4**  
**Pensions Sharing On Divorce**

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## **1 Interpretation**

- 1.1 Words defined in Schedule 1 of the Trust Deed have the same meanings in this Schedule, except that in this Schedule **Member** includes a person who has been admitted to membership of The Punter Southall Aspire Master Trust.
- 1.2 In this Schedule, references to Clause 14 (Payment of lump sums) of the Trust Deed are to be read as if the references to a Member are to an Ex-Spouse or, according to the context, an Ex-Spouse Participant.
- 1.3 Is this Schedule reference to **The Punter Southall Aspire Master Trust** and **section of The Punter Southall Aspire Master Trust** means in respect of any Member or other person, the particular Final Salary Scheme, Employer DC Scheme or PSDC Pension Section referable to that Member or other person, as appropriate.

## **2 Providing information and giving effect to a Pension Sharing Order**

- 2.1 The Trustee must comply with the requirements imposed by the Pensions on Divorce etc. (Provision of Information) Regulations 2000 (the supply of information to members and their spouses or former spouses) in relation to pensions on divorce, separation or nullity.
- 2.2 The Trustee must give effect to a Pension Sharing Order, and implement a Pension Debit and discharge its liability in respect of a Pension Credit, in accordance with Part IV of the 1999 Act and the provisions of this Schedule.
- 2.3 The Trustee may discharge its liability by conferring rights to benefits under The Punter Southall Aspire Master Trust on the person entitled to the Pension Credit by maintaining an Account for the Ex-Spouse Participant to which his Pension Credit is credited and then applied in accordance with this Schedule.
- 2.4 The Trustee may recover from a Member, his Spouse and/or his Ex-Spouse any costs of the Trustee in respect of a Pension Sharing Order or in respect of an earmarking order made under Sections 23, 25B and 25C of the Matrimonial Causes Act 1973 in accordance with any policy adopted by the Trustee from time to time, subject to the Pensions on Divorce etc. (Charging) Regulations 2000. The Trustee's costs may be recovered by making a deduction from the Member's benefits, and if the Member is a member of more than one section of The Punter Southall Aspire Master Trust, from such section or sections as the Trustee considers appropriate.
- 2.5 The Trustee may decide in respect of any individual case or for all cases until that decision is changed that all or any of the provisions in this Schedule can be relaxed concerning the benefits to be paid to or in respect of an Ex-Spouse or an Ex-Spouse Participant or the treatment of a Member with a Pension Debit, so long as such relaxation would not cause The Punter Southall

Aspire Master Trust to cease to be a Registered Pension Scheme or breach any legislative restriction.

### **3 Participation of Ex-Spouses in The Punter Southall Aspire Master Trust**

An Account into which the Pension Credit of the Ex-Spouse Participant must be credited must be maintained by the Trustee in accordance with Rule 3 of this Schedule in respect of the Ex-Spouse Participant until the Account is wholly used to provide benefits for or in respect of the Ex-Spouse Participant, at which time the Account is cancelled.

The following applies in respect of the Ex-Spouse Participant's Account, subject to compliance with Part IVA of the 1993 Act:

#### **3.1 Benefits for Ex-Spouse**

On attaining age 65 (sixty-five) (or such other age as long as it is on or after the Ex-Spouse Participant's Minimum Pension Age and before age 75 (seventy-five) as the Trustee might agree at the request of the Ex-Spouse Participant) or as from the date on which the Pension Sharing Order is implemented if this occurs after the Ex-Spouse Participant has attained age 65 (sixty-five), the Ex-Spouse Participant's Account will be applied, subject to Rule 3.2 of this Schedule in accordance with Money Purchase Rule 7 (Retirement). However, the Ex-Spouse Participant's pension and any Spouse's and/or Dependant's pension cannot be commuted, surrendered or assigned except, in the case of the Ex-Spouse Participant, in accordance with Rule 3.2 of this Schedule. If the Ex-Spouse is also a Member, his Account under this Rule may, if the Trustee agrees, be applied (in the manner set out above) before he attains Minimum Pension Age on grounds of incapacity, subject to meeting the Registration Requirements, if his Member's Account is simultaneously applied under the Rules.

#### **3.2 Exchanging pension for lump sum**

- (a) The Ex-Spouse Participant may, by written notice to the Trustee, choose to take his Account in the form of a lump sum, subject to PCB Regulation 3 and to this Rule 3.2.
- (b) The lump sum is limited to the maximum permitted for a lump sum to qualify as a Pension Commencement Lump Sum.
- (c) No lump sum may be paid to the Ex-Spouse Participant where the Member who was formerly married to the Ex-Spouse Participant has already received a lump sum benefit from The Punter Southall Aspire Master Trust before the date of the implementation of the Pension Sharing Order.
- (d) Subject to satisfying the Registration Requirements, the Trustee may at its discretion pay the whole of the Ex-Spouse Participant's Account in the form of a Trivial Commutation

Lump Sum or exceptional circumstances of serious ill-health when the account falls to be applied in accordance with this Rule and must take into account other benefits as necessary including any benefits the Ex-Spouse Participant is also entitled to under The Punter Southall Aspire Master Trust arising from Employment.

### 3.3 Death of Ex-Spouse Participant before Account is applied

- (a) If the Ex-Spouse Participant dies before his Account falls to be applied in accordance with this Rule, a lump sum death benefit will be paid at the discretion of the Trustee in accordance with Clause 14 of the Trust Deed (Payment of lump sums).
- (b) The lump sum will be 25% (twenty-five per cent) of the amount in the Ex-Spouse Participant's Account at the date of death.
- (c) The balance of the Account will be used to provide a non-commutable pension to the Spouse and/or to a Dependant or Dependents of the Ex-Spouse Participant as the Ex-Spouse has agreed with the Trustee before his death or, in the absence of any such agreement, as decided by the Trustee.
- (d) The amount of pension payable to the Spouse and/or to a Dependant is decided by the Trustee after taking actuarial advice and notified by the Trustee to the Spouse and/or to the Dependant(s). It is limited to a maximum of  $\frac{2}{3}$  (two-thirds) of the amount of the pension that could have been paid to the Ex-Spouse Participant at the date of death had the whole of the Cash Equivalent of the Pension Credit Rights been used to purchase an annuity at an available market rate.
- (e) Where more than 1 (one) pension is to be paid, the total of all the pensions cannot exceed the amount of the pension that could have been paid to the Ex-Spouse Participant.
- (f) The terms on which a pension is paid are decided by the Trustee but a pension must be payable for life, except that a Dependant's pension paid to a child must cease when the child ceases to qualify as a Dependant.
- (g) The Trustee may commute the whole of the benefit payable under this Rule for a lump sum on the grounds of Triviality at the time the benefit becomes payable.

### 3.4 Voluntary transfer or buy-out by Ex-Spouse of Cash Equivalent of Pension Credit Benefit

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

### **3.5 Ex-Spouse Participants who are also Members**

Unless an Ex-Spouse Participant has only a Pension Credit Benefit, the Trustee must make provision for the Pension Credit Benefit to be treated as provided separately from any benefits provided under The Punter Southall Aspire Master Trust for the same individual as a Member or as the Dependant of a Member.

### **3.6 Bankruptcy of Ex-Spouse Participant**

The rights to a Pension Credit Benefit are not absolute; they will be forfeited if the Ex-Spouse Participant became bankrupt before 6 April 2002. Such rights may then be applied by the Trustee in accordance with Clause 18 of the Trust Deed (Benefits not to be assigned).

## **4 Compulsory Buy-Out of Pension Credit Rights**

The Trustee may provide for benefits in respect of an Ex-Spouse Participant which are different from those set out in Rule 3 (Participation of Ex-Spouses in The Punter Southall Aspire Master Trust) of this Schedule to be secured by means of a transaction to which Section 19 of the 1993 Act applies in accordance with the PCB Regulations.

## **5 Compulsory transfer of Pension Credit Rights**

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

## **6 Transfers in and out which include Pension Debits**

Where the Trustee will accept a transfer payment under the Money Purchase Rules or the FS Rules and it is given by the transferor details of a Pension Debit relating to the benefits to which the transfer payment relates, the Trustee must take account of the Pension Debit, if required by HMRC, in the calculation of any limit on benefits for that Member. If a transfer payment is made in respect of a Member, the Trustee must give full details of the Pension Debit to the new occupational pension scheme or pension arrangement.

## **7 Transfers in which include Pension Credit Rights**

The Trustee will accept a transfer payment for an individual who is already a Member or is already an Ex-Spouse Participant if it is informed by the transferor that the transfer value consists wholly or partly of Pension Credit Rights in the former scheme or arrangement. If such a transfer payment is accepted, the Trustee must separately identify the transfer payment relating to the Pension Credit Rights or the part of the transfer payment relating to the Pension Credit Rights, from other rights of the Member or Ex-Spouse Participant. The Trustee must



make provision for the transferred-in Pension Credit Rights to be treated as provided separately from any benefits provided under The Punter Southall Aspire Master Trust for the same individual. The individual will then acquire the status of an Ex-Spouse Participant in The Punter Southall Aspire Master Trust in relation to his transferred-in Pension Credits Benefits. Such Pension Credit Benefits will not count towards any limit on benefits for that Member relating to the application of Pre 6 April 2006 Tax Approval in accordance with FS Rule 16.2 (FA 2004 - limits on benefits and transitional provisions).

## **8 Death of Ex-Spouse before the Trustee acts on a Pension Sharing Order**

- 8.1 If an Ex-Spouse with Pension Credit Rights dies before the Trustee has discharged its liability in respect of the Pension Credit, a lump sum will be paid at the discretion of the Trustee in accordance with Clause 14 of the Trust Deed (Payment of lump sums).
- 8.2 The lump sum will be 25% (twenty-five per cent) of what would have been the Cash Equivalent of the Pension Credit Rights.
- 8.3 The balance of the Cash Equivalent will be used to provide a non-commutable pension to the Spouse and/or to a Dependant or Dependents of the Ex-Spouse as decided by the Trustee.
- 8.4 The amount of pension payable to the Spouse and/or to a Dependant is decided by the Trustee after taking actuarial advice and notified by the Trustee to the Spouse and/or to the Dependant. It is limited to a maximum of 2/3rds (two-thirds) of the amount of the pension that could have been paid to the Ex-Spouse at the date of death if the whole of what would have been the Cash Equivalent of the Pension Credit Rights had been used to purchase an annuity at an available market rate. Where more than 1 (one) pension is to be paid, the total of all the pensions cannot exceed the amount of the pension that could have been paid to the Ex-Spouse. The terms on which a pension is paid are decided by the Trustee but a pension must be payable for life, except that a Dependant's pension which is paid to a child must cease when the child ceases to qualify as a Dependant.
- 8.5 The Trustee may commute the whole of the benefit payable under this Rule 8 for a lump sum on the grounds of Triviality at the time the benefit becomes payable.

## **9 HMRC Limits on benefits of Restricted Members**

- 9.1 Subject to compliance with the 1993 Act, the benefits for a Restricted Member are subject, where appropriate, to the limits set out in the FS Rules (FA 2004 - limits on benefits and transitional provisions) and additionally to the following:
  - (a) The pension shall not exceed the maximum pension payable to him in accordance with the above mentioned in the FS Rules less the Negative Deferred Pension in The Punter Southall Aspire Master Trust and the Negative Deferred Pension in any Current

Arrangements and, in the case of a Member in relation to whom the Earnings Cap applies, the Negative Deferred Pension in any Connected Scheme.

- (b) The lump sum from The Punter Southall Aspire Master Trust and any Current Arrangements shall not exceed:
  - (i) for Restricted Members who are Members in relation to whom the Earnings Cap applies or Continued Rights 1989 Members, an amount determined by 2.25 (two and one-quarter) times the initial annual pension payable;
  - (ii) for Restricted Members who are Continued Rights 1987 Members, an amount of the greater of:
    - (A) 2.25 (two and one-quarter) times the initial annual pension payable; or
    - (B) an amount determined in accordance with Schedule 3 (HMRC Limits and Tax) as if there had been no Pension Debit, less 2.25 (two and one-quarter) times the Negative Deferred Pension in The Punter Southall Aspire Master Trust and in any Current Arrangements.

For the purposes of this Rule, the initial annual pension should be calculated on the following bases:

- (1) if the pension payable for the year changes, the initial pension payable should be taken;
  - (2) it should be assumed that the Restricted Member will survive for a year;
  - (3) the effect of commutation for triviality or otherwise should be ignored.
- (c) On the death of the Restricted Member, any pension for a Dependant shall, where appropriate, not exceed two thirds of the Member's pension calculated in accordance with the limits set out in the FS Rules as if there had been no Pension Debit, less the Negative Deferred Pension and the Negative Deferred Pension in any Current Arrangements and, in the case of a Member in relation to whom the Earnings Cap applies, the Negative Deferred Pension in any Connected Scheme. Where more than one Dependant's pension is to be paid, where appropriate, the total of all the pensions cannot exceed the Member's pension calculated in accordance with the limits set out in the FS Rules as if there had been no Pension Debit, less the Negative Deferred Pension and the Negative Deferred Pension in any Current Arrangements and, in the case of a Member in relation to whom the Earnings Cap applies, the Negative Deferred Pension in any Connected Scheme.

## **10 PSDC Pension**

- 10.1 This Schedule shall be modified in its application to the Money Purchase Section and the Life Cover Section to the extent the Trustee may determine in relation to commutation, and such other matters as the Trustee may from time to time decide, subject to satisfying the Registration Requirements.
- 10.2 The benefit limits relating to the application of Pre 6 April 2006 Tax Approval under the FS Rules do not apply to the Money Purchase Section or the Life Cover Section unless the Rules of those Sections expressly provide otherwise.

## **11 Pension Sharing under Scottish Law**

The Trustee shall follow the principles and apply the provisions of this Schedule in relation to the implementation of any Pension Sharing Order which is activated under Scottish law but with the Trustee adapting the provisions of this Schedule as required by Scottish law.

## **12 Adjustment of Pension on Divorce**

Where the Trustee receives a Pension Sharing Order in respect of an Ex-Spouse Participant the Trustee shall reduce the pension benefit of the Member, Early Leaver or Pensioner in question in order to comply with the requirements of the Pension Sharing Order and shall notify the Member, Early Leaver or Pensioner in writing accordingly.

## Schedule 5

### Rules of the PSDC Pension

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## **Schedule 5**

### **PSDC Pension Rules**

#### **Preamble and Definitions**

- (A) The PSDC Pension Rules comprise Sections 1 and 2:

Section 1: the Money Purchase Section

Section 2: the Life Cover Section.

- (B) Words and expressions defined in Schedule 1 of the Trust Deed have the same meanings in this Schedule, save where specified otherwise.
- (C) A Member of the PSDC Pension may be a Member of the Money Purchase Section, and/or the Life Cover Section, and/or an Employer's DC Scheme.

## **Section 1 - The Money Purchase Section**

### **1 The Money Purchase Section Rules**

- 1.1 This Section contains the Rules of the Money Purchase Section.
- 1.2 The Money Purchase Section is treated as a separate Section from any other Section, Employer DC Scheme or Final Salary Scheme under The Punter Southall Aspire Master Trust.
- 1.3 In the Money Purchase Section, references to a "Member" means a Money Purchase Member, and "Employer" means a Money Purchase Employer, and "Account" means a Money Purchase Account, and "Early Leaver" means a Money Purchase Early Leaver and "Active Member" means an Active Money Purchase Member.
- 1.4 A Member has an Account under the Money Purchase Section. Assets transferred to the Money Purchase Section and contributions paid to the Money Purchase Section by an Employer in respect of a Member are credited to a Member's Account.
- 1.5 A Member may also be a Life Cover Member.
- 1.6 The assets attributable to the Money Purchase Section cannot be used for the purposes of any other Section or Employer DC Scheme and/or a Final Salary Scheme, and the Trustee's decision as to assets and liabilities of the Money Purchase Section and as to a credit to an individual Member's Account shall be final.
- 1.7 The Money Purchase Section is an Auto-enrolment Scheme and:
  - (a) if any provision of the Trust Deed or the Rules would otherwise prevent a Jobholder becoming an Active Member that provision or Rule shall not apply to that extent; and
  - (b) any provision of the Trust Deed or the Rules which would otherwise require a Jobholder to express a choice in relation to any matter, or to provide any information, in order to remain an Active Member, shall not apply to that extent.
- 1.8 If the 2008 Act and/or any Regulations made under it are amended from time to time, so that any of the requirements relating to an Auto-enrolment Scheme or a Qualifying Scheme or any Employers Duties are changed, the appropriate provision of the PSDC Pension is deemed to be amended from time to time to incorporate such changes, unless the Trustee at its discretion determines otherwise in any particular case, and to the extent permitted.
- 1.9 This Section is amended to the extent necessary to allow the Trustee to make such payments in its absolute discretion and on whatever terms it considers appropriate in accordance with Section 273B of the FA 2004 as amended by the Taxation of Pensions Act 2015.

## 2 Eligibility and admission

### 2.1 Auto-enrolled Members

#### (a) Automatic enrolment and re-enrolment of an Eligible Jobholder and a Re-enrolment Eligible Jobholder

- (i) In order to comply with its Employer Duties, an Employer may make an Arrangement with the Trustee by which an Eligible Jobholder becomes an Active Member on his Auto-enrolment Date and a Re-enrolment Eligible Jobholder becomes an Active Member on his Auto re-enrolment Date.
- (ii) If an Eligible Jobholder is already an Active Member on his Auto-enrolment Date or a Re-enrolment Eligible Jobholder is already an Active Member on his Auto re-enrolment Date, his Employer may make an Arrangement with the Trustee for continuity of his Active Membership in order to comply with its Employer Duties.
- (iii) This Rule 2.1(a) does not apply to a Re-enrolment Eligible Jobholder if, within 12 (twelve) months before his Auto re-enrolment Date, the Re-enrolment Eligible Jobholder ceased to be an Active Member because of his own act or omission, or gave notice under Rule 2.1(d) (Opting out). This Rule 2.1(a) does not apply to an Eligible Jobholder to the extent permitted by the 2008 Act.

#### (b) Early Auto-enrolment

An Employer may, with the consent of the Trustee, choose an early Auto-enrolment Date under the Implementation Regulations.

#### (c) Jobholder Information

An Employer must give the Trustee all Jobholder Information which is required by the Trustee in writing within the period required by the Auto-enrolment Regulations.

#### (d) Opting-out

- (i) A Jobholder who has become an Active Member under Rule 2.1(a) (Automatic enrolment and re-enrolment of an Eligible Jobholder and a Re-enrolment Eligible Jobholder) or Rule 2.1(f) (Enrolment of a Jobholder following an Opt-in Notice), may opt out of the Money Purchase Section by giving notice as set out in 2.1(d)(ii) below, and he will be treated for all purposes of the Money Purchase Section as if he had not become an Active Member on that occasion;
- (ii) A Jobholder who became an Active Member under Rule 2.1(a)(i) or Rule 2.1(f) must give his Employer a valid Opt-out Notice (in the form provided by the

Trustee), and the time limits set out in Regulation 9 of the Auto-enrolment Regulations must be complied with.

(iii) Rule 6 (Leaving Active Membership) is subject to this Rule 2.1(d).

(e) Refund following Opting-out

- (i) An Employer must inform the Trustee immediately that it has received a valid Opt-out Notice in respect of a Jobholder who is an Active Member.
- (ii) When the Trustee receives information from the Employer under 2.1(e)(i) above and the Active Member has less than 30 day's service as an Active Member, the Trustee must refund to the Employer any contributions made to the Money Purchase Section by the Jobholder concerned; and
- (iii) The Trustee must also refund to the Employer any contributions made to the Money Purchase Section on behalf of the Jobholder by the Employer, alternatively (and subject to the 2008 Act), the Employer and the Trustee may agree that the Employer's contributions are retained in the Money Purchase Section and used under Rule 10, (Expenses) and/or available as a credit against contributions due from the Employer in the year following the Refund Date.
- (iv) A refund under 2.1(e)(ii) and 2.1(e)(iii) above must be made before the Refund Date, and no costs or expenses may be deducted under Rule 10 (Expenses).

(f) Enrolment of a Jobholder following an Opt-in Notice

If a Jobholder gives a valid Opt-in Notice to his Employer, the Employer may make an Arrangement with the Trustee by which the Jobholder becomes an Active Member on his Enrolment Date. If the Jobholder is already an Active Member on his Enrolment Date, his Employer may make an Arrangement with the Trustee for continuity of the Jobholder's Active Membership.

2.2 Other admissions

- (a) An Employer may arrange with the Trustee that 1 (one) or more of its employees, or an Entitled Worker who has given the Employer a Joining Notice, may join the Money Purchase Section as an Active Member. The employee or Entitled Worker must complete any application form the Trustee requires and supply any evidence required by the Trustee under Clause 21 (Evidence and information) of the Trust Deed. Active Membership starts on the date notified in writing by the Employer to the Trustee. In respect of an Entitled Worker, an Employer must give the Trustee all Worker Information which is required by the Trustee in writing within the period required under the Auto-enrolment Regulations.



- (b) If an Active Member ceases to be employed by 1 (one) Employer and becomes employed by another Employer, he shall continue to be an Active Member unless the Employer by whom he becomes employed decides that his Active Membership shall cease, and informs the Trustee in writing. If his Active Membership ceases, Rule 6 (Leaving Active Membership) shall then apply in respect of the Member.
- (c) The Trustee may, in its absolute discretion, either admit a person as a Member who is not otherwise eligible for admission to the Money Purchase Section under this Rule 2 or allow a person to continue as an Active Member, subject to the provision of such information and criteria that the Trustee may require from time to time.

### **3 Contributions**

#### **3.1 Auto-enrolled Member**

- (a) An Employer must pay contributions in respect of a relevant Jobholder in accordance with the Scheme Administration Regulations; and
- (b) Unless the Trustee agrees otherwise, in relation to all relevant Jobholders the Employer must select from, Rule 3.1(c)(i) (Minimum Contributions), or 3.1(c)(ii) (Basic Pay Contributions), or 3.1(c)(iii) (85% (eighty-five per cent) Contributions), or 3.1(c)(iv) (Gross Pay Contributions) below:
  - (c)
    - (i) Minimum Contributions
      - (A) an Employer's contribution, however calculated, must be equal to or more than 3% (three per cent) of the amount of the Jobholder's Qualifying Earnings in the relevant Pay Reference Period; and
      - (B) the total amount of contributions paid by the Jobholder and the Employer, however calculated, must be equal to or more than 8% (eight per cent) of the amount of the Jobholder's Qualifying Earnings in the relevant Pay Reference Period; or
    - (ii) Basic Pay Contributions
      - (A) the Employer's contribution must be equal to or more than 4% (four per cent) of the amount of the relevant Jobholder's Basic Pay in the Certification Period; and

- (B) the total amount of the contributions paid by the relevant Jobholder and the Employer must be equal to or more than 9% (nine per cent) of the Jobholder's Basic Pay in the Certification Period; or
- (iii) 85% (eighty-five per cent) Contributions
  - (A) the Employer's contribution must be equal to or more than 3% (three per cent) of the amount of the relevant Jobholder's Basic Pay in the Certification Period; and
  - (B) the total amount of the contributions paid by the relevant Jobholder and the Employer must be equal to or more than 8% (eight per cent) of the amount of the Jobholder's Basic Pay in the Certification Period; and
  - (C) taking all of the relevant Jobholders together, the Basic Pay of those Jobholders constitute at least 85% (eighty-five per cent) of the Earnings of those Jobholders in the Certification Period; or
- (iv) Gross Pay Contributions
  - (A) the Employer's contribution must be equal to or more than 3% (three per cent) of the amount of the relevant Jobholder's Earnings in the Certification Period; and
  - (B) the total amount of the contributions paid by the relevant Jobholder and the Employer must be equal to or more than 7% (seven per cent) of the amount of the Jobholder's Earnings in that period.
- (d) The Trustee may on any occasion refuse to accept a contribution below such amount as is prescribed from time to time under Section 20 of the 2008 Act.
- (e) Reference to "the relevant Jobholder" in this Rule 3.1 is a reference to each of the relevant Jobholders of an Employer.
- (f) The contributions set out in Rule 3.1(c)(i) to 3.1(c)(iv) inclusive above are phased in during the Transitional Period.
- (g) If the 2008 Act and/or the Auto-enrolment Regulations are amended from time to time, so that the Minimum Contributions and/or the Alternative Requirements are changed, and/or any further requirements which are appropriate for a money purchase scheme are added, Rule 3.1(c)(i), 3.1(c)(ii), 3.1(c)(iii), and/or 3.1(c)(iv) are deemed to be appropriately amended to incorporate any such changes and/or further requirements, unless the Trustee determines otherwise.

- (h) This Rule 3.1 overrides Rule 14 (Pension Input Period), Rule 3.3 (Contributions general), Rule 7 (Retirement), Rule 17 (Other temporary absence), Rule 16 (Maternity and family leave) and Rule 3.2 (Other contributions) to the extent necessary.

### 3.2 Other contributions

- (a) An Employer decides the rate, if any, at which it will contribute in relation to each of its Active Members, and the rate at which its Active Members shall make regular contributions (if any), and shall inform the Trustee in writing accordingly. The Employer may increase or reduce or stop its contributions or an Active Member's contributions, or the Employer may pay additional contributions, provided the Employer gives the Trustee 1 (one) month's notice in writing, and complies with the Consultation Regulations. The Employer must meet the minimum contribution requirements of the Trustee (if any) from time to time.
- (b) An Employer must give the Trustee any information relevant to the administration of the Money Purchase Section in relation to the earnings of each Active Member employed by it.
- (c) A Member admitted to Membership under Rule 2.2(c) may with the consent of the Trustee and subject to any requirements of the Trustee or the FA 2004 make contributions to a new Account or the Member's Account which has not been designated for Flexi-access Drawdown.
- (d) An Active Member may pay AVCs to the Money Purchase Section at any time, and may subsequently increase, reduce or stop them. He must meet the minimum contribution requirements of the Trustee (if any) from time to time.
- (e) An Active Member's contributions including AVCs are collected by the Employer which must pay them to the Trustee (or as directed by it) by the due date notified to it by the Trustee from time to time, and in accordance with the provisions of the Scheme Administration Regulations. Provided that an Active Member may with the consent of the Trustee pay a lump sum AVC directly to the Trustee.
- (f) Subject to Trustee consent, an Active Member who is no longer employed by an Employer may contribute to a new Account or a Member's Account which has not been designated for Flexi-access Drawdown.

### 3.3 Contributions general

- (a) The Trustee may, having regard to the Registration Requirements, require that an Active Member and his Employer (if any) must reduce their contributions or stop paying them, but is not obliged to do so and shall not be responsible for any loss (or alleged loss) arising from a failure to do so. The Employer must comply with the Consultation Regulations if necessary. The reduction will apply first to any AVCs paid by the Active Member, and

secondly to the Active Member's and Employer's contributions as agreed between them or, if not agreed, proportionately. Contributions may be resumed if and to the extent the Trustee informs the Active Member and Employer.

- (b) If the Trustee retains any Employer's contributions under Rule 2.1(e)(iii) (Refund following Opting-out) or Rule 6.6 (Leaving Active Membership), that amount shall be used by the Trustee as a credit against contributions due from that Employer.

## **4 Investment options**

### **4.1 Choice of investment options**

The Trustee may offer Members different investment options which may apply to all or part of an Account. The Trustee will provide such investment options on such terms as it decides from time to time. These investment options can be withdrawn or varied at any time at the Trustee's discretion.

### **4.2 Direction of contributions and default investments**

A Member may, when contributions first start to be made by or in respect of him, direct the Trustee as to the investment option, in accordance with which the contributions are to be invested. In the absence of any direction by the Member to the contrary, contributions will be invested in such investment option as the Trustee decides either generally or in a particular case, and the Trustee shall not be responsible for any loss (or alleged loss) to the Member. If the Member fails to comply with any terms or requirements of the Trustees under Rule 7.8 (Flexi-access Drawdown) the Trustee may decide to withdraw the investment option in which any part of his Account is already invested, and invest his Account in another option as the Trustee decides. The Trustee shall not be responsible for any loss (or alleged loss) to the Member.

### **4.3 Switching and variation of directions**

A Member may from time to time vary his current direction as regards contributions made by or in respect of him on or after the effective date of the direction, or change from one investment option in which any part of an Account is already invested to another option for the time being offered by the Trustee. A direction or variation of a direction must be made by written notice to the Trustee in a form prescribed by it. The period of notice must be at least the minimum period required by the Trustee from time to time. The Trustee may impose any conditions it thinks fit generally or in a particular case for this purpose.

### **4.4 Accounts**

- (a) The Trustee maintains an Account in respect of each Member. Any payment by or in respect of a Member is credited to that individual's Account, subject to Rule 10 (Money Purchase Section Expenses).
- (b) An Account will earn investment returns (both positive and negative) in accordance with the basis on which it (or the relevant part) is invested. The Trustee will decide conclusively the amount of each Account from time to time (and each part of an Account in accordance with a different investment option).
- (c) An Account is closed when contributions in respect of an Active Member stop, unless they have been suspended under the provisions of Rule 16 (Maternity and Family Leave) or Rule 17 (Other temporary absence). If contributions start again, a closed Account may, at the discretion of the Trustee, be re-opened or a new Account opened instead.
- (d) An Account is maintained solely for the purpose of calculating benefits and does not confer on any person any interest in the Money Purchase Section or its assets which he would not otherwise have had.

## **5 Continuity of Active Membership**

- 5.1 An Active Member who is a Jobholder cannot cease to be an Active Member as a result of any action or omission of the Employer under the Trust Deed and/or the Rules (unless the Jobholder ceases to be employed by the Employer or the Employer ceases participation). The Trustee may at its absolute discretion allow a Member to remain an Active Member in the event of a corporate restructuring or other transaction.
- 5.2 The Money Purchase Section cannot cease to be a Qualifying Scheme as a result of any action or omission of the Employer under the Trust Deed and/or the Rules.
- 5.3 Rule 5.1 does not apply if the Jobholder becomes an active member of another Qualifying Scheme (within a period prescribed under Section 2 of the 2008 Act), or if the action or omission in Rule 5.1 is at the Jobholder's request.
- 5.4 If a Jobholder ceases to meet the requirements to be a Jobholder while remaining in employment with the Employer, his Active Membership shall continue, unless the Employer determines otherwise and complies with the Consultation Regulations. If he continues to be an Active Member, contributions under Rule 3.1(a) and Rule 3.1(b) (Auto-enrolled Member) shall cease during any period in which the requirements for a Jobholder are not met. Contributions may continue under Rule 3.2 (Other contributions).
- 5.5 Rule 5.1 overrides Rule 6 (Leaving Active Membership), Rule 7 (Retirement), Rule 14 (Pension input period), Rule 16 (Maternity and Family Leave), and Rule 17 (Other temporary absence) to the extent necessary.

## **6 Leaving Active Membership**

- 6.1 If the Trustee consents, an Employer may cease to be an Employer for the purposes of the Money Purchase Section on such date and subject to such conditions as the Trustee shall determine and confirm in writing to the Employer.
- 6.2 A Member ceases to be an Active Member on the date on which in the opinion of the Trustee:
- (a) he ceases to contribute or have contributions paid on his behalf (unless Rule 17 (Other temporary absence) applies); or
  - (b) the Employer stops contributing in respect of him and the Member stops contributing before his Normal Retirement Date (except because of a temporary suspension of contributions under Rule 16 (Maternity and Family Leave or Rule 17 (Other temporary absence))). The Employer must comply with the Consultation Regulations and must also give the Trustee at least 1 (one) month's advance written notice. The Employer must pay any contributions due before the date on which its contributions stop; or
  - (c) he exercises his right to end his Active Membership of the Money Purchase Section by telling the Employer, in writing, subject to the period of notice (not more than 3 (three) months) required by the Employer; or
  - (d) he otherwise ceases to qualify as an Active Member.
- 6.3 A Member who joined the Scheme after 1 October 2015 will not be entitled to any cash refund in accordance with Rule 6.4 (b) below if he has more than 30 days' membership as an Active Member, but instead he will be treated in accordance with Rules 6.4 (a) and (c) below. If he has less than 30 days membership as an Active Member, he shall be entitled to a cash refund in accordance with Rule 6.4 (b) below.
- 6.4 For the purposes of Rule 6.3, a member may be entitled to one or more of the following options:
- (a) a Cash Transfer Sum (if he meets the other applicable statutory requirements). The Trustee will decide the amount of a Cash Transfer Sum in accordance with Rule 4.4(b) (Accounts); or
  - (b) to receive a cash refund equal to that part of his Account which is attributable to his contributions (less tax); or
  - (c) to leave his Account in the Money Purchase Section and become an Early Leaver.
- 6.5 If the Member does not make a choice under Rule 6.4 within 3 (three) months, the Trustee will maintain his Account under Rule 6.4(c) and he will become an Early Leaver.

- 6.6 Where a cash refund has been paid under Rule 6.4(b) or a Cash Transfer Sum transferred under Rule 6.4(a), the Member's Account is then cancelled. Any remaining balance following a cash refund will be available as a credit against contributions due from the Employer in the year following payment of the cash sum. At the Trustee's discretion, any amount unexpended at the end of that period may accrue to the Money Purchase Section generally on an unallocated basis for its general purposes.
- 6.7 If the Member is a Qualified Member the Trustee will maintain his Account and he will become an Early Leaver.

## **7 Retirement**

### **7.1 Retirement at Normal Retirement Date**

- (a) When a Member reaches his Normal Retirement Date he must (subject to Rule 7.2 (Retirement after Normal Retirement Date), Rule 7.3 (Retirement before Normal Retirement Date on Incapacity or otherwise), Rule 7.7 (Postponement of Policy purchase), Rule 7.8 (Flexi-access Drawdown)) use his Account to purchase a Policy in his own name, and/or take a cash sum under Rule 8 (Cash Option). The Trustee must provide the information required by the Disclosure Regulations. Before a Policy is due to be bought for a Member, the Member must direct the Trustee in writing as regards the provider of the Policy and such benefits and other provisions of the Policy as required, within the time limits set out in the Disclosure Regulations. The total cost of providing benefits in respect of the Member shall not exceed the realised value of the Member's Account. If the Trustee is not reasonably able to comply with the Member's direction, it will allow him to select different benefits or Policy provisions within such reasonable time as it decides, subject to satisfying the Registration Requirements.

(b) **AVCs**

The Trustee may at its discretion, before a Policy is bought for a Member and at the request of the Member, agree that any additional benefits which could be secured by his AVCs shall be secured at a later date. The later date shall be agreed by the Trustee and shall not be later than the Member's 75th (seventy-fifth) birthday, unless the Trustee decides otherwise in its absolute discretion.

### **7.2 Retirement after Normal Retirement Date**

- (a) At his Normal Retirement Date, a Member may request the Trustee by giving 1 (one) month's notice in writing, to maintain his Account, and defer purchase of a Policy. The Trustee may at its complete discretion agree to do so if the Registration Requirements would be satisfied. If the Trustee agrees to maintain the Member's Account, the Member may at any subsequent date elect to have his Account applied under this Rule 7

(Retirement) and/or under Rule 8 (Cash Option). To do this he must give the Trustee at least 1 (one) month's notice before he wants to so apply his Account.

- (b) At his Normal Retirement Date, a Member, his Employer, and the Trustee may agree that he and/or his Employer may continue to pay contributions while he remains in employment with the Employer after that date.

#### 7.3 Retirement before Normal Retirement Date on Incapacity or otherwise

- (a) A Member may, on account of Incapacity, at any time before his Normal Retirement Date, elect to apply the realised value of his Account in accordance with the options available under Rule 7.1(a).
- (b) A Member may, at any time on or after his Minimum Pension Age but before his Normal Retirement Date, elect to apply the realised value of his Account in accordance with the options available under Rule 7.1(a). He must give the Trustee at least 1 (one) month's notice in writing.

#### 7.4 Application of a Member's Account by the Trustee

If the Trustee decides that it is unable to comply with the Member's direction under Rule 7.1, or if the Member fails to give a direction under Rule 7.1 within a reasonable time, (as decided by the Trustee), or if, in the Trustee's opinion, the Member suffers from any mental incapacity making him unable to make decisions in relation to his Account, the Trustee may make any decision on behalf of the Member as to the application of the Member's Account, provided that such decision is permitted under the Rules and the relevant legislation. The Trustee's decision will be treated as having been directed by the Member.

#### 7.5 Trustee discharge of liability

In complying with any Member's direction under Rule 7.1, or using the Member's Account under Rule 7.4, the Trustee has no liability to the Member or any Beneficiary claiming through a Member as regards the selection of the Policy or its benefits or other provisions (including, without limitation, the effect on benefits of prevailing annuity rates or any commission). Subject to satisfying the Registration Requirements, once a Policy has been issued, the Trustee is discharged from all liability to or in respect of the Member, including any liability relating to the Policy and the provision of benefits which are to be paid to or in respect of the Member from the Policy. This discharge is in addition to and without prejudice to any other discharge given to the Trustee.

#### 7.6 General



When a Member's Account is used to provide him with a Policy, or he enters Flexi-access Drawdown under Rule 7.8 (Flexi-access Drawdown), he and/or his Employer (if any) may elect to make further contributions to a new Account, or to a Member's Account which has not been designated for Flexi-access Drawdown or designated for Capped Drawdown, subject to the Trustee's consent. If he becomes employed by a different Employer he may be re-admitted to membership. Any further contributions shall be subject to the requirements of the FA 2004.

#### 7.7 Postponement of Policy purchase

The Trustee may, at its complete discretion, agree, at the request of a Member on becoming entitled to have his Account applied, that the purchase of a Policy is postponed. The Trustee may also agree, at a Member's request, to pay a lump sum from his Account under Rule 8 immediately. If a lump sum is paid, a Policy must be purchased within the time period set out in Rule 8.1(b).

#### 7.8 Flexi-access Drawdown

- (a) A Member who is entitled to have his Account applied under this Rule 7, may, before a Policy is purchased, request the Trustee in writing to designate his Account as available for Flexi-access Drawdown. A Member who has joined the Money Purchase Section under the terms of Rule 2.2(c) may request the Trustee in writing to designate his Account as available for Flexi-access Drawdown.
- (b) Once a Member's Account has been designated for Flexi-access Drawdown, the Trustee will pay the whole of the Member's Account to the Member, provided that at the Member's request, the Trustee may agree to make payments from the Member's Account to the Member at such intervals and on such terms as the Trustee shall decide.
- (c) If at the date of a Member's death, there remains any balance in his Account which has been designated for Flexi-access Drawdown, the Trustee shall (subject to Rule 7.8(d) below) pay such balance as a Drawdown Lump Sum Death Benefit under Clause 14 (Payment of lump sums) of the Trust Deed to a Member's Dependant. The Trustee will deduct any tax payable before a Drawdown Lump Sum Death Benefit is paid;
- (d) Before any amount is paid under Rule 7.8(c), the Dependant may:
  - (i) request the Trustee in writing to designate part or all of the balance described in Rule 7.8(c) as available for Dependant's Drawdown. If the Trustee, at its complete discretion, agrees to the Dependant's request, the terms and conditions of such designation as a Dependant's Drawdown Account and payments therefrom to the Dependant shall be determined by the Trustee as if the Dependant were a Member, and Rule 7.8(a) shall apply, with due alteration of detail, subject to the FA 2004. No cash sum is payable to a Dependant under Rule 8 (Cash Option); and/or

- (ii) require the Trustee to use part or all of the balance described in Rule 7.8(c) to purchase a Policy in the Dependant's own name, subject to the terms (with due alteration of detail) which are set out in Rule 7.1.
- (e) If at the date of a Dependant's death, there remains any balance of a Dependant's Drawdown Account, the Trustee shall pay such balance as a Drawdown Lump Sum Death Benefit under Clause 14 (Payment of lump sums) of the Trust Deed to another Dependant of the Member. The Trustee will deduct any tax payable before a Drawdown Lump Sum Death Benefit is paid. Before any amount is paid, such other Dependant may request the Trustee to use all or part of such balance under Rule 7.8(d).

## **8 Cash option**

### **8.1 Pension Commencement Lump Sum or Stand-Alone Lump Sum**

- (a) Subject to Rule 8.1(b) and Rule 8.1(c), a Member who is under age 75 (seventy-five) (unless the Trustee in its absolute discretion determines that age limit shall not apply) and whose Lifetime Allowance is available (in whole or in part) may, on becoming entitled to have his Account applied, or prior to entering Flexi-access Drawdown, choose to have a lump sum amount paid to him from his Account:
  - (i) up to the maximum permitted for the lump sum to qualify as a Pension Commencement Lump Sum; or
  - (ii) in circumstances where the lump sum would qualify as a Stand-Alone Lump Sum.
- (b) A Pension Commencement Lump Sum must be paid within the period beginning 6 (six) months before and ending 1 (one) year after the day on which the Member becomes entitled to have his Account applied, or enters Flexi-access Drawdown, unless it would be possible to do so later and satisfy the Registration Requirements.
- (c) The Trustee may restrict the amount of the lump sum to ensure that the amount available to purchase a Policy in the name of an Active Member or Early Leaver is not less than the minimum the Trustee from time to time requires (either generally or in a particular case).

### **8.2 Uncrystallised Funds Pension Lump Sum**

An amount may be paid as a cash sum to the maximum extent permitted by the Registration Requirements, provided that only one Uncrystallised Funds Pension Lump Sum will be paid (unless the Trustee determines otherwise) and such payment will be subject to such conditions as the Trustee may specify from time to time.

### **8.3 Trivial Commutation Lump Sum Death Benefit**

Where the Member's Account at the death of a Member is less than any limit imposed from time to time by the Registration Requirements and the 1993 Act, the Trustee may, where it would satisfy the Registration Requirements, pay a Trivial Commutation Lump Sum Death Benefit in accordance with Clause 14 of the Trust Deed (Payment of lump sums). The Trivial Commutation Lump Sum Death Benefit shall be determined by the Trustee.

#### 8.4 Serious Ill-health lump sum

Where a registered medical practitioner has confirmed to the Trustee that a Member is expected to live for less than 1 (one) year, the Trustee may pay the realised value of his Account to him immediately as a Serious Ill-health Lump Sum provided the Registration Requirements are met. This Rule shall not apply if the Member is aged 75 (seventy-five) or over, unless the Trustee in its absolute discretion determines otherwise. The Trustee shall be entitled to deduct any tax for which it may be accountable. The Trustee shall report the payment where required to do so under the Registration Requirements.

#### 8.5 General

- (a) After he has been informed of his options by the Trustee, the Member must notify the Trustee in writing (in the form and within such timescales as required) of his choice under this Rule. At the same time the Member must provide such information as the Trustee requires to establish the Member's available Lifetime Allowance. A Member's Lifetime Allowance (or part of it) will be treated as not available for the purposes of this Rule if he has not provided such information in writing to the Trustee.
- (b) In this Rule Member and Account includes an Ex-Spouse Participant and an Ex-Spouse Participant's Account, except in cases to which paragraph 2(2) of Schedule 29 to the FA 2004 applies.

### 9 Death of an Active Member or Early Leaver – Lump Sum

- 9.1 If an Active Member or an Early Leaver dies before he takes his benefits, a lump sum will be paid in accordance with Clause 14 of the Trust Deed (Payment of lump sums). The lump sum shall be equal to the realised value of his Account subject to any tax payable.
- 9.2 Where all or part of a lump sum is to be used in providing pensions for the spouse and/or surviving civil partner and/or Dependents of the Active Member or Early Leaver, the Trustee shall decide which of those persons is to receive a pension and its amount.

### 10 Money Purchase Section expenses

- 10.1 The Trustee determines and allocates PSDC Pension expenses and costs of administration and management at its discretion from time to time as follows:

- (a) Certain expenses are apportioned between the Money Purchase Section, and the Life Cover Section when such expenses are attributable to more than 1 (one) Section; and
- (b) Certain expenses which the Trustee determines are wholly referable to the Money Purchase Section are allocated directly to the Money Purchase Section; and
- (c) Certain expenses which the Trustee determines are wholly referable to a Member's Account are allocated directly to that Member's Account.

10.2 The Trustee may apply Money Purchase Section assets, as it deems appropriate, to meet any costs and expenses of the Money Purchase Section.

## **11 Auto-enrolment record keeping and compliance with Employer Duties**

11.1 The Trustee shall keep the records described in Regulation 7 of the Registration and Compliance Regulations for the period set out in Regulation 8 of the Registration and Compliance Regulations.

11.2 An Employer shall inform the Trustee immediately if the Regulator proposes to issue a Compliance Notice or an Unpaid Contributions Notice in respect of contravention of any of its Employer Duties in relation to a Member.

11.3 The Trustee shall comply with any third party compliance notice issued by the Regulator under Section 36 of the 2008 Act.

11.4 The Trustee may provide an Employer with an Employer Pension Scheme Reference evidencing the relationship between the Employer and the Money Purchase Section.

## **12 HMRC Limits, tax and transitional protection**

12.1 Schedule 3 (HMRC Limits and Tax) to the Trust Deed applies in respect of a Member in respect of benefits arising under the Money Purchase Section.

12.2 To the extent that a Member is entitled to pre-commencement benefit rights under Part 3 of Schedule 36 of the FA 2004 in respect of any rights under the Money Purchase Section, the Trustee will pay benefits to or in respect of the Member in accordance with the applicable provisions of that Part.

## **13 Unallocated Money Purchase Section funds**

If the Trustee is unable ultimately, whether as a result of the FA 2004 or otherwise, to apply all or part of a Member's Account, that amount shall accrue to the Money Purchase Section generally on an unallocated basis and the Trustee may at its discretion utilise those funds for the general purposes of the Money Purchase Section.

## **14 Pension Input Period**

For the purposes of Section 238 of the FA 2004, the pension input period is 5 April in each year in respect of all money purchase arrangements (within the meaning of the FA 2004) under the Money Purchase Section.

## **15 Questions of fact**

The Trustee has the right to resolve any doubt or dispute as to the interpretation of the Rules and any question of fact in relation to the Rules.

## **16 Maternity and Family Leave**

- 16.1 This Rule 16 applies to Active Members except those Active Members who joined the Money Purchase Section under Rule 2.2(c).
- 16.2 An Active Member may be absent from work for a period of maternity, paternity (being either Ordinary Paternity Leave or Additional Paternity Leave or both), adoption, Parental Leave or dependants leave referred to in this Rule 16. If that happens, Rule 6 (Leaving Active Membership) does not apply to the Active Member and Active Membership continues during the absence, subject to the special provisions set out in this Rule 16.
- 16.3 An Active Member may be absent from work for a period of Ordinary Maternity Leave, Paid Paternity Leave, Paid Adoption Leave or for Parental Leave which is paid, or for a further period of maternity leave, a period of family absence or in respect of a dependant (within Section 57A of the 1996 Act or any similar contractual right) during which statutory maternity pay or contractual or other remuneration is paid. If that happens, then, during the period of absence:
- (a) the Active Member shall pay contributions based on the pensionable emoluments she actually receives;
  - (b) the contributions paid by an Employer in respect of an Active Member:
    - (i) who is on maternity leave, paternity leave, or adoption leave, are based on the assumption that he was working normally and that his pensionable emoluments are what they would have been (as decided by the Employer) if he had been working normally and receiving the remuneration likely to have been paid for doing so;
    - (ii) who is on Parental Leave, family absence or is absent in respect of a dependant, are based on the pensionable emoluments he actually receives.

- 16.4 An Active Member may be absent from work for a period of unpaid maternity leave (which is not referred to in Section 71 of the 1996 Act), unpaid paternity leave, unpaid adoption leave, unpaid Parental Leave, unpaid family absence or in respect of a dependant (within Section 57A of the 1996 Act or any similar contractual right). If that happens, the Employer need not pay any contributions under Rule 3 (Contributions) for the period of absence.
- 16.5 If an Active Member, after a period of unpaid maternity leave, unpaid adoption leave or unpaid Parental Leave, exercises the right to return to work, he may, subject to the agreement of the Employer, require the Employer to pay contributions under Rule 3 (Contributions) for any part of his absence. To do this, the Active Member must agree to pay in respect of that part of his absence, the contributions which she would have paid under Rule 3 (Contributions) if he had been working normally and receiving the remuneration likely to have been paid for doing so.
- 16.6 The Active Member may inform the Employer that he does not intend to return to work, or may lose the right to do so or may not in fact return to work and the Employer shall inform the Trustee in writing. If that happens, she ceases to be an Active Member and Rule 6 (Leaving Active Membership) applies from the day the Active Member stops receiving statutory maternity pay, statutory adoption pay or contractual remuneration. In the case of unpaid paternity leave, unpaid adoption leave or unpaid Parental Leave, he ceases to be an Active Member and Rule 6 (Leaving Active Membership) applies from the date when the Active Member's absence from work for that period of leave started.

## **17 Other temporary absence**

- 17.1 This Rule 17 applies to Active Members other than those Active Members who joined the Money Purchase Section under Rule 2.2(c).
- 17.2 If an Active Member is absent from work for a reason not falling within Rule 16 (Maternity and Family Leave), he continues to be an Active Member during the period of absence (whether or not his contract of employment with the Employer ends) if the Employer concerned agrees and tells the Trustee in writing.
- 17.3 Membership must stop:
- (a) if, in the Employer's opinion, there is not (or there ceases to be) a definite expectation of return to work (unless the absence is because of Incapacity and whether or not he is receiving pay under a sick pay or insurance scheme which will not continue beyond his Normal Retirement Date); or
  - (b) if it is in the Trustee's view necessary to meet the Registration Requirements.

- 17.4 During a period of absence the Employer and an Active Member (or the Employer alone) may continue to contribute (at the previous rate or a different rate); alternatively contributions may be suspended until the Active Member's return to work.
- 17.5 If an Active Member does not return to work at the end of the period of absence, his Active Membership stops and the appropriate provisions of Rule 7.3 (Retirement before Normal Retirement Date) or Rule 6 (Leaving Active Membership) apply.

## **Section 2 - The Life Cover Section**

### **1 Life Cover Rules**

- 1.1 This Section contains the Rules of the Life Cover Section.
- 1.2 The Life Cover Section is treated as a separate scheme from the Money Purchase Section, the Employer DC Schemes and any other Final Salary Scheme under The Punter Southall Aspire Master Trust.
- 1.3 In the Life Cover Rules, references to a "Member" means a Life Cover Member and "Employer" means a Life Cover Employer, and to a "Rule" means a Life Cover Rule.
- 1.4 A Member must also be an Employer DC Scheme Member, a Final Salary Member and/or a Money Purchase Member.
- 1.5 The assets attributable to the Life Cover Section cannot be used for the purposes of any other Section, Employer DC Scheme and/or a Final Salary Scheme.
- 1.6 The Trustee's decision as to assets and liabilities allocated to the Life Cover Section and as to a Member's benefits shall be final.

### **2 Member eligibility and admission**

- 2.1 An Employer may pay contributions to the Life Cover Section in respect of any of its employees. The employee must complete any application form the Trustee requires and supply any evidence required by the Trustee under Clause 21 (Evidence and information) of the Trust Deed. Membership starts on the date notified in writing by the Trustee to the Member and the Employer concerned.
- 2.2 If a Member ceases to be employed by one Employer and becomes employed by another Employer, he shall continue to be a Member unless the Employer by whom he becomes employed decides that his Membership shall cease, and informs the Trustee in writing.
- 2.3 Notwithstanding any other provision in the Rules, an Employer may, in its absolute discretion, admit a partner (if it is a partnership) or a member (if it is a limited liability partnership) or a director (if it is a corporate employer) as a Member, or any other person whom the Trustee agrees to regard as an employee as if that person was an employee and references to an employee shall be construed as appropriate as referring to a partner of a partnership, or member of a limited liability partnership, or director of a corporate employer, or a person whom the Trustee regards as an employee.



### **3 Employer's contributions**

- 3.1 An Employer shall contribute to the Life Cover Section such amounts as are required to pay the premiums under the Life Cover Policy in respect of each Member employed by it. The benefits to be provided will be on terms and conditions agreed in writing between the Employer and the Trustee.
- 3.2 No contributions are payable to the Life Cover Section by a Member.
- 3.3 An Employer may, if the Trustee agrees and subject to satisfying the Registration Requirements, pay contributions in respect of any former employee.
- 3.4 Each Employer must pay its contributions to the Trustee by the due date notified to it by the Trustee or as directed by the Trustee from time to time. An Employer must give the Trustee any information relevant to the administration of the Life Cover Section in relation to the earnings of each Member employed by it. The Employer must inform the Trustee immediately of any change in earnings.
- 3.5 An Employer may request the Trustee to go off risk, in respect of any Member it employs. It must tell the Member concerned in writing and must also give the Trustee at least 1 (one) month's advance written notice and comply with the Trustee's policy on cessation of cover from time to time. The Employer must pay any contributions due before the date on which the Trustee goes off risk and if contributions are outstanding and unpaid the Trustee may go off risk immediately at its discretion.
- 3.6 The Trustee may require an Employer to stop contributing in respect of a Member.

### **4 Ending Membership**

A Member ceases to be a Member on the date on which in the opinion of the Trustee:

- (a) he attains Normal Retirement Date (unless his life cover continues after Normal Retirement Date under Rule 7.1 (Death of a Life Cover Member - Lump Sum)); or
- (b) he ceases to be employed by an Employer or he ceases to be regarded by the Trustee as an employee under Rule 2.3 (unless Rule 11 (Other temporary absence) applies); or
- (c) the Trustee has gone off risk in respect of him under Rule 3.5 (Employer's contributions); or
- (d) he exercises his right to end his Membership by telling the Employer, in writing, subject to the period of notice (not more than 3 (three) months) required by the Employer; or

- (e) if the Member is also a Money Purchase Active Member, and his Money Purchase Account has been applied under Money Purchase Rule 7.3 (Retirement before Normal Retirement Date on Incapacity or otherwise), unless any Life Cover Policy has been effected by the Trustee in relation to him at the written request of the Employer and the Member has been informed in writing of such cover.

## **5 Contributions limits**

The Trustee may, having regard to the Registration Requirements, require that an Employer must reduce its contributions in respect of a Member or stop paying them, but is not obliged to do so and shall not be responsible for any loss (or alleged loss) arising from a failure to do so. Contributions may be resumed if and to the extent the Trustee informs the Employer.

## **6 Life Cover Section expenses**

- 6.1 The Trustee determines and allocates PSDC Pension expenses and costs of administration and management at its discretion from time to time as follows:
  - (a) expenses are apportioned between the Money Purchase Section, and the Life Cover Section when such expenses are attributable to more than 1 (one) Section; and
  - (b) expenses which the Trustee determines are wholly referable to the Life Cover Section are allocated directly to the Life Cover Section; and
  - (c) expenses which the Trustee determines are wholly referable to a Member are allocated directly to that Member;
- 6.2 The Trustee may apply Life Cover Section assets, as it deems appropriate, to meet expenses of the Life Cover Section.

## **7 Death of a Life Cover Member – Lump Sum**

- 7.1 If a Member dies, a lump sum will be paid in accordance with Clause 14 of the Trust Deed (Payment of lump sums). This shall include a Member in employment over Normal Retirement Date, where the Employer so specifies.
- 7.2 The amount of lump sum payable under this Rule 7 on the death of a Member will be equal to the proceeds of any Life Cover Policy effected by the Trustee in relation to him under Rule 3.1 (Employer's contributions), subject to deduction of any expenses by the Trustee under Rule 6.1.3 (Life Cover Section expenses) and subject to Rule 7.3, unless the Employer specifies otherwise and pays any additional contribution which the Trustee may require to pay the benefit in full.

- 7.3 Where all or part of a lump sum is to be used to provide pensions for the spouse and/or surviving civil partner and/or Dependants of the Member in accordance with any terms and conditions agreed between the Employer and the Trustee under Rule 3 (Employer's contributions), the Trustee shall, subject to those terms, decide which of those persons is to receive a pension and its amount.

## **8 Questions of fact**

The Trustee has the right to resolve any doubt or dispute as to the interpretation of the Rules or any question of fact in relation to the Rules.

## **9 Unallocated Life Cover Section funds**

If the Trustee is unable ultimately, whether as a result of the FA 2004 or otherwise, to apply all or part of a lump sum under Clause 14, that balance shall accrue to the Life Cover Section generally on an unallocated basis and the Trustee may at its discretion utilise those funds for the general purposes of the Life Cover Section.

## **10 Maternity and Family Leave**

- 10.1 A Member may be absent from work for a period of maternity, paternity (being either Ordinary Paternity Leave or Additional Paternity Leave or both), adoption, parental or dependants leave referred to in this Rule. If that happens, Rule 4 (Ending Membership) does not apply to the Member and Membership continues during the absence, subject to the special provisions set out in this Rule 10.
- 10.2 A Member may be absent from work for a period of Ordinary Maternity Leave, or for Paid Paternity Leave, Paid Adoption Leave, or for Parental Leave which is paid, or for a further period of maternity leave, a period of family absence, or in respect of a dependant (within Section 57A of the 1996 Act or any similar contractual right) during which statutory maternity pay or contractual or other remuneration is paid.
- 10.3 Any lump sum payable under the Rules in respect of a Member, will be based on what her emoluments would have been (as decided by the Employer) if she had been working normally and receiving the remuneration likely to have been paid for so doing.
- 10.4 A Member may be absent from work for a period of unpaid maternity leave (which is not referred to in Section 71 of the 1996 Act), unpaid paternity leave, unpaid adoption leave, unpaid Parental Leave, unpaid family absence or in respect of a dependant (within Section 57A of the 1996 Act or any similar contractual right). If that happens, the Member remains a Member so far as any lump sum which might be paid under Rule 7 (Death of a Member - Lump Sum) is concerned.

- 10.5 The Member may inform the Employer that she does not intend to return to work, or may lose the right to do so or may not in fact return to work and the Employer shall so inform the Trustee in writing. If that happens, she ceases to be a Member and Rule 4 (Ending Membership) applies from the day the Member stops receiving statutory maternity pay, statutory adoption pay, or contractual remuneration. In the case of unpaid paternity leave, unpaid adoption leave, or unpaid Parental Leave, he or she ceases to be a Member and Rule 4 (Ending Membership) applies from the date when the Member's absence from work for that period of leave started. No lump sum will be paid under the Rules in respect of the Member on or after the day on which the Employer is informed that the Member does not intend to return to work or, as the case may be, on the day on which the Member loses the right to return to work.

## **11 Other temporary absence**

If a Member is absent from work for a reason not falling within Rule 10 (Maternity and Family Leave), he continues to be a Member during the period of absence (whether or not his contract of employment with the Employer ends) for such period as agreed between the Member and the Employer and notified to the Trustee in writing. Membership must stop:

- (a) if, in the Employer's opinion, there is not (or there ceases to be) a definite expectation of return to work (unless the absence is because of Incapacity and whether or not he is receiving pay under a sick pay or insurance scheme which will not continue beyond his Normal Retirement Date); or
- (b) if it is in the Trustee's view necessary to meet the Registration Requirements; or
- (c) if a Member does not return to work at the end of the period of absence; or
- (d) on a date agreed between the Participating Employer and Member; or
- (e) if the Participating Employer's policy on temporary absence.

The Member's Employer shall indemnify the Trustee if any losses are incurred as a result of the application of this rule.

**Schedule 6**  
**Invensys DC Scheme**

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## **1 The Invensys DC Scheme**

- 1.1 This Schedule contains the Rules of the Invensys DC Scheme which is an Employer DC Scheme for the purposes of the Trust Deed.
- 1.2 The Invensys DC Scheme is treated as a separate Scheme from any Section of the PSDC Pension, Employer DC Scheme or Final Salary Scheme under The Punter Southall Aspire Master Trust.
- 1.3 In the Invensys DC Scheme, references to a "Member" means an Employer DC Scheme Member, and "Employer" means an Employer of an Employer DC Scheme Employer, and "Account" means an Employer DC Scheme Account, and "Early Leaver" means an Employer DC Scheme Early Leaver. In the Invensys DC Scheme, **DC Fund** means the investments, moneys and other assets for the time being representing the defined contribution benefits and the additional voluntary contributions made or transferred by the Members to the Invensys DC Scheme from The Invensys Pension Scheme.
- 1.4 A Member has an Account under the Invensys DC Scheme. Assets transferred to the Invensys DC Scheme are credited to a Member's Account, and maybe in the form of AVC policies.
- 1.5 A Member may also be a Life Cover Member, a Money Purchase Section Member, an FS Member and/or a Member of another Employer DC Scheme.
- 1.6 The assets attributable to the Invensys DC Scheme cannot be used for the purposes of any Section of the PSDC Pension or Employer DC Scheme and/or a Final Salary Scheme.

## **2 Eligibility and admission**

- 2.1 DC Member admissions
  - (a) An Employer may arrange with the Trustee that 1 (one) or more of its employees or former or active or deferred Members of the Invensys Pension Scheme, may join the Invensys DC Scheme as a result of a transfer from the Invensys Pension Scheme.
  - (b) The Trustee may, in its absolute discretion, either admit a person as a Member who is not otherwise eligible for admission to the Invensys DC Scheme under this Rule 2, subject to the provision of such information and criteria that the Trustee may require from time to time.

## **3 Contributions**

- 3.1 No further contributions from Members or Employers are accepted under the Invensys DC Scheme.

- 3.2 Contributions by or in respect of Members may be made under the Money Purchase Section of the PSDC Pension.
- 3.3 An Employer must give the Trustee any information relevant to the administration of the Invensys DC Scheme as the Trustees may reasonably require.
- 3.4 The Trustee shall maintain separate accounts in respect of such defined contribution benefits and additional voluntary contributions and record in the accounts that part of the DC Fund attributable to each Member and in particular:
- (a) all costs of administering and managing the DC Fund (including winding up and investment) that are not paid by the Employers or by the Trustees of The Invensys Pension Scheme shall be paid out of the assets of the DC Fund as the Trustee determines appropriate and the Trustee shall then adjust the part of the DC Fund attributable to each Member as the Trustee considers appropriate
  - (b) the DC Fund shall only be applied for the purposes of the DC Fund; and
  - (c) the Trustee's decision as to whether assets form part of the DC Fund shall be final.
- 3.5 The Member's Account relating to AVC's shall be:
- (a) used to secure additional benefits of such amount as can be provided in respect of the part of the DC Fund that, in the opinion of the Trustee, represents the additional voluntary contributions paid by the Member, after adjustment for any income, bonus, gain or loss provided that; the Trustee shall not be liable beyond the proceeds of such part of the DC Fund and, in the event that the additional voluntary contributions of the Member are transferred to an Insurance Company, shall not be liable beyond the proceeds paid under any policy issued by such Insurance Company in respect of the additional voluntary contributions made; and
  - (b) such other permitted benefits as may be notified to the Member by the Trustee.

## **4 Investment options**

### **4.1 Choice of investment options**

The Trustee may offer Members different investment options which may apply to all or part of an Account. The Trustee will provide such investment options on such terms as it decides from time to time. These investment options can be withdrawn or varied at any time at the Trustee's discretion.

## **5 Pre-Retirement Options**

- 5.1 Members who have been admitted under Rule 2 shall have their Account treated in accordance with Rule 5.1(a) and (b) below:
- (a) to leave his Account in the Invensys DC Scheme and become an Early Leaver; or
  - (b) a Cash Transfer Sum (if he meets the other applicable statutory requirements). The Trustee will decide the amount of a Cash Transfer Sum.
- 5.2 If the Member does not notify the Trustee under Rule 5.1 within 3 (three) months of joining the Invensys DC Scheme, the Trustee will maintain his Account under Rule 5.1(a) and he will become an Early Leaver.
- 5.3 Where a Cash Transfer Sum has been transferred under Rule 5.1(b), the Member's DC Account is then cancelled.
- 5.4 If the Member is a Qualified Member the Trustee will maintain his Account and he will become an Early Leaver.

## **6 Retirement**

### **6.1 Retirement at Normal Retirement Date**

- (a) DC Fund Benefits
  - (i) The Trustee may at its discretion, before a Policy is bought for a Member and at the request of the Member, agree that any additional benefits which could be secured by his Account shall be secured at a later date. The later date shall be agreed by the Trustee and shall not be later than the Member's 75th (seventy-fifth) birthday, unless the Trustee decides otherwise in its absolute discretion.
  - (ii) The Trustee will also agree to transfer the proceeds from the Member's Account to The Invensys Pension Scheme if requested by the Member and such transfer is acceptable to the Trustees of the Invensys Pension Scheme or any other registered pension scheme subject to meeting any relevant legal requirements.

### **6.2 Retirement after Normal Retirement Date**

At his Normal Retirement Date, a Member may request the Trustee by giving 1 (one) month's notice in writing, to maintain his Account, and defer purchase of a Policy. The Trustee may at its complete discretion agree to do so if the Registration Requirements would be satisfied. If the Trustee agrees to maintain the Member's Account, the Member may at any subsequent date elect to have his Account applied under this Rule 6 (Retirement) and/or under Rule 7 (Cash



Option). To do this he must give the Trustee at least 1 (one) month's notice before he wants to so apply his Account.

#### 6.3 Retirement before Normal Retirement Date on Incapacity or otherwise

- (a) A Member may, on account of Incapacity, at any time before his Normal Retirement Date, elect to apply the realised value of his Account in the purchase of a Policy and/or in accordance with the options available under Rule 7 (Cash Option).
- (b) A Member may, at any time on or after his Minimum Pension Age but before his Normal Retirement Date, elect to apply the realised value of his Account in the purchase of a Policy and/or in accordance with the options available under Rule 7 (Cash Option). He must give the Trustee at least 1 (one) month's notice in writing.

#### 6.4 Application of a Member's Account by the Trustee

If the Trustee decides that it is unable to comply with the Member's direction under Rule 6.2, or if the Member fails to give a direction under Rule 6.2 within a reasonable time, (as decided by the Trustee), or if, in the Trustee's opinion, the Member suffers from any mental incapacity making him unable to make decisions in relation to his Account, the Trustee may make any decision on behalf of the Member as to the application of the Member's Account, provided that such decision is permitted under the Rules and the relevant legislation. The Trustee's decision will be treated as having been directed by the Member.

#### 6.5 Trustee discharge of liability

In complying with any Member's direction under Rule 6.1, 6.2 and 6.3 or using the Member's Account under Rule 6.4, the Trustee has no liability to the Member or any Beneficiary claiming through a Member as regards the selection of the Policy or its benefits or other provisions (including, without limitation, the effect on benefits of prevailing annuity rates or any commission). Subject to satisfying the Registration Requirements, once a Policy has been issued, the Trustee is discharged from all liability to or in respect of the Member, including any liability relating to the Policy and the provision of benefits which are to be paid to or in respect of the Member from the Policy. This discharge is in addition to and without prejudice to any other discharge given to the Trustee.

#### 6.6 Postponement of Policy purchase

The Trustee may, at its complete discretion, agree, at the request of a Member on becoming entitled to have his Account applied, that the purchase of a Policy is postponed. The Trustee may also agree, at a Member's request, to pay a lump sum from his Account under Rule 7 immediately. If a lump sum is paid, a Policy must be purchased within the time period set out in Rule 7.1(c).

## **7 Cash option**

### **7.1 Pension Commencement Lump Sum or Stand-Alone Lump Sum**

- (a) Subject to Rule 7.1(c) and Rule 7.1(d), a Member who is under age 75 (seventy-five) (unless the Trustee in its absolute discretion determines that age limit shall not apply) and whose Lifetime Allowance is available (in whole or in part) may, on becoming entitled to have his Account applied, or prior to entering Flexi-access
  - (i) up to the maximum permitted for the lump sum to qualify as a Pension Commencement Lump Sum; or
  - (ii) in circumstances where the lump sum would qualify as a Stand-Alone Lump Sum.
- (b) Drawdown, choose to have a lump sum amount paid to him from his Account:
- (c) A Pension Commencement Lump Sum must be paid within the period beginning 6 (six) months before and ending 1 (one) year after the day on which the Member becomes entitled to have his Account applied, or enters Flexi-access Drawdown, unless it would be possible to do so later and satisfy the Registration Requirements.
- (d) The Trustee may restrict the amount of the lump sum to ensure that the amount available to purchase a Policy in the name of an Active Member or Early Leaver is not less than the minimum the Trustee from time to time requires (either generally or in a particular case).

### **7.2 Trivial Commutation Lump Sum Death Benefit**

Where the Member's Account at the death of a Member is less than any limit imposed from time to time by the Registration Requirements and the 1993 Act, the Trustee may, where it would satisfy the Registration Requirements, pay a Trivial Commutation Lump Sum Death Benefit in accordance with Clause 14 of the Trust Deed (Payment of lump sums). The Trivial Commutation Lump Sum Death Benefit shall be determined by the Trustee.

### **7.3 Serious Ill-health lump sum**

Where a registered medical practitioner has confirmed to the Trustee that a Member is expected to live for less than 1 (one) year, the Trustee may pay the realised value of his Account to him immediately as a Serious Ill-health Lump Sum provided the Registration Requirements are met. This Rule shall not apply if the Member is aged 75 (seventy-five) or over, unless the Trustee in its absolute discretion determines otherwise. The Trustee shall be entitled to deduct any tax for which it may be accountable. The Trustee shall report the payment where required to do so under the Registration Requirements.

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Uncrystallised Funds Pension Lump Sums

7.4 An amount may be paid as a cash sum to the maximum extent permitted by the Registration Requirements, provided that only one Uncrystallised Funds Pension Lump Sum will be paid (unless the Trustee determines otherwise) and such payment will be subject to such conditions as the Trustee may specify from time to time.

7.5 General

- (a) After he has been informed of his options by the Trustee, the Member must notify the Trustee in writing (in the form and within such timescales as required) of his choice under this Rule. At the same time the Member must provide such information as the Trustee requires to establish the Member's available Lifetime Allowance. A Member's Lifetime Allowance (or part of it) will be treated as not available for the purposes of this Rule if he has not provided such information in writing to the Trustee.
- (b) In this Rule Member and Account includes an Ex-Spouse Participant and an Ex-Spouse Participant's Account, except in cases to which paragraph 2(2) of Schedule 29 to the FA 2004 applies.

## **8 Death of an Early Leaver – Lump Sum**

- 8.1 If an Early Leaver dies before he takes his benefits, a lump sum will be paid in accordance with Clause 14 of the Trust Deed (Payment of lump sums). The lump sum shall be equal to the realised value of his Account subject to any tax payable.
- 8.2 Where all or part of a lump sum is to be used in providing pensions for the spouse and/or surviving civil partner and/or Dependents of the Early Leaver, the Trustee shall decide which of those persons is to receive a pension and its amount.

## **9 HMRC Limits, tax and transitional protection**

- 9.1 Schedule 3 (HMRC Limits and Tax) to the Trust Deed applies in respect of a Member in respect of benefits arising under the Invensys DC Scheme.
- 9.2 To the extent that a Member is entitled to pre-commencement benefit rights under Part 3 of Schedule 36 of the FA 2004 in respect of any rights under the Invensys DC Scheme, the Trustee will pay benefits to or in respect of the Member in accordance with the applicable provisions of that Part.

## **10 Unallocated Money Purchase Section funds**

If the Trustee is unable ultimately, whether as a result of the FA 2004 or otherwise, to apply all or part of a Member's Account, that amount shall accrue to the Invensys DC Scheme generally

on an unallocated basis and the Trustee may at its discretion utilise those funds for the general purposes of the Invensys DC Scheme.

## **11 Pension Input Period**

For the purposes of Section 238 of the FA 2004, the pension input period is 5 April in each year in respect of all money purchase arrangements (within the meaning of the FA 2004) under the Invensys AVC Scheme.

## **12 Questions of fact**

The Trustee has the right to resolve any doubt or dispute as to the interpretation of the Rules and any question of fact in relation to the Rules.