

IPM Personal Pension Scheme



Trust Deed

adopting replacement governing provisions for (and changing
the trustee and scheme administrator of) the

IPM Personal Pension Scheme

(effective 6th April 2007)

Dated 5th April 2007

Trust Deed

adopting replacement provisions governing the

IPM

Personal Pension

Scheme

PARTIES

- 1 THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND (company number incorporated under Act of Parliament) (in this deed called the Provider).
- 2 I.P.M. PERSONAL PENSION TRUSTEES LIMITED (company number 03029085) (in this deed called the Old Scheme Trustee).
- 3 I.P.M. SIPP ADMINISTRATION LIMITED (company number 3002939) (in this deed called the New Scheme Trustee).

RECITALS

- (A) The IPM Personal Pension Scheme (in this deed called the Scheme) is a personal pension scheme which is now governed by rules adopted by a deed dated 6th April 2006 (in this deed called the Existing Provisions).
- (B) In anticipation of the requirement from 6th April 2007 that any person operating or winding up the Scheme be authorised under Part 4 of the Financial Services and Markets Act 2000 for that purpose, the parties have agreed to:
- adopt replacement governing provisions reflecting the way in which the parties have agreed to allocate the responsibilities of operating and winding up the scheme (and also reflecting miscellaneous changes to the relevant tax legislation announced since the adoption of the Existing Provisions); and
 - appoint the New Scheme Trustee as the trustee of the Scheme and scheme administrator for tax purposes in place of the Old Scheme Trustee.

OPERATIVE PROVISIONS

- 1 Pursuant to rule 3 of the Existing Provisions those Existing Provisions shall cease to have effect and the Scheme shall be governed by the attached rules.
- 2 Pursuant to rule 4 of the attached rules the Old Scheme Trustee and the Provider:
 - 2.1 remove the Old Scheme Trustee; and
 - 2.2 appoint the New Scheme Trustee in its placeas the Scheme Trustee and the New Scheme Trustee accepts the appointment.
- 3 Pursuant to rules 5.3 and 5.4 of the attached rules and any and all other powers enabling the same, the New Scheme Trustee and the Old Scheme Trustee agree and declare that the Old Scheme Trustee shall hold:
 - 3.1 any part of the Fund previously held by the Old Scheme Trustee in its capacity as as Scheme Trustee; and
 - 3.2 any other part of the Fund vested in it or otherwise under its control from time to timeas bare trustee for the New Scheme Trustee, to apply as the New Scheme Trustee may direct as Scheme Trustee in accordance with the attached rules.

- 4 Pursuant to rule 8 of the attached rules the Provider removes the Old Scheme Trustee (with its consent) and appoints the New Scheme Trustee in its place as the Scheme Administrator and the New Scheme Trustee accepts the appointment.
- 5 Terms defined in the attached rules shall have the same meaning where used in this deed.
- 6 The provisions of this deed shall have effect on and from 6th April 2007 and in the order in which they appear.
- 7 This deed may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which is original but all of which together constitute one and the same instrument.

IN WITNESS OF WHICH this document is executed as a deed and is delivered on the date stated above.

SIGNED as a deed, and delivered when dated, by THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND acting by:

A. McMillan

..... : Authorised Signatory

SIGNED as a deed, and delivered when dated, by I.P.M. PERSONAL PENSION TRUSTEES LIMITED acting by:

D. A. Sutcliffe

..... : Director

Name: David Andrew Sutcliffe

J. A. Lochery

..... : Director

Name: Jonathan Andrew Lochery

SIGNED as a deed, and delivered when dated, by I.P.M. SIPP ADMINISTRATION LIMITED acting by:

D. A. Sutcliffe

..... : Director

Name: David Andrew Sutcliffe

J. A. Lochery

..... : Director

Name: Jonathan Andrew Lochery

Scheme Rules

(IPM Personal Pension Scheme)

(version effective 6/4/07)

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Part 1 – Scheme Structure and Operation

1. INTERPRETATION

1.1 In the Rules unless the context otherwise requires:

"Act" means Part 4 of the Finance Act 2004 and the schedules relating to that Part.

"Adopting Deed" means the deed by which the Rules were adopted.

"Alternatively Secured Fund" means any part of an Individual Fund which was Unsecured Fund when the relevant individual reached the age of 75 or which became held for the purposes of the relevant arrangement after the relevant individual reached the age of 75, or which in the opinion of the Scheme Trustee should be so designated to reflect any regulations made under section 283(2) or any designation existing immediately before the Rules took effect.

"Benefit" means an actual or prospective entitlement to any benefit under the Scheme (including any part of a pension and any payment by way of pension) and "Beneficiary" has a corresponding meaning.

"Dependant" in relation to a Member has the meaning it has in the Act and includes a person who was married to the Member when the Member first became entitled to a pension under the Scheme but excludes, in relation to an Individual Fund, any person of whose existence the Scheme Trustees is unaware having made reasonable enquiries.

"Enhanced Protection" means, in relation to a Beneficiary, the application of paragraph 12 of Schedule 36 in his case.

"Fund" means all contributions, gifts and transfer payments received by the Scheme and any other monies, investments, policies, property or other sums or assets for the time being held for the purposes of the Scheme.

"General Fund" means any part of the Fund which is not an Individual Fund.

"HMRC" means The Commissioners or officers of Revenue and Customs or both of them, as the context may require.

"Individual Fund" in relation to a Member or Dependant means that part of the Fund which the Scheme Trustee determines is attributable to him having regard to:

- (i) (in the case of a Member only) any contributions made by him and by any other person in respect of him;
- (ii) (in the case of a Dependant only) any part of the Individual Fund of a Member designated as available for the provision of *income withdrawal* in accordance with the Rules following the death of that Member;
- (iii) any transfers made to the Scheme in respect of him;
- (iv) any allocation or reallocation of any part of the Fund in accordance with the Rules;

- (v) any *pension credit* or *pension debit* applicable to him;
- (vi) any income, gains, losses (whether realised or not), fees, costs and expenses and any other actual or prospective liabilities of the Scheme Administrator or of the Scheme Trustee (other than liabilities to pay Benefits) borne by or attributable to the relevant part of the Fund.

If, immediately before the Rules took effect, more than one arrangement (within the meaning of the Act or section 630(1) of *ICTA* as appropriate) existed under the Scheme in relation to an individual, then a separate Individual Fund shall be determined for each such arrangement.

"Member" means:

- (i) a person admitted as a Member in accordance with Rule 14; or
- (ii) a person who was a member within the meaning of the rules governing the Scheme immediately before these Rules took effect or (for the purposes of the definition of Dependant only) immediately before his death

and "Membership" has a corresponding meaning.

"Partner" in relation to an individual means any person who is (or was immediately before the individual's death) his spouse or civil partner (within the meaning of section 1 of the Civil Partnership Act 2004).

"Provider" means the person named as such in the Adopting Deed or any successor in relation to the provision of benefits, as described in section 272(4) of the Act, appointed in accordance with Rule 9.

"Regulator" means the Pensions Regulator established by the Pensions Act 2004.

"Relative" in relation to an individual means:

- (i) any ancestor or descendant (however remote) of the individual or of his Partner;
- (ii) any stepchild, brother or sister of the individual (whether of the whole or of the half-blood) and any descendant of any such stepchild, brother or sister;
- (iii) any Partner of the individual or of any person within (i) or (ii) above;
- (iv) any stepbrother or stepsister of the individual

and for these purposes:

- (i) 'descendant' includes adopted persons and those who have been treated as children of the family;
- (ii) the class of Relatives shall be closed at the individual's date of death except that it shall include persons then *en ventre sa mere* who if they had then been born would have been Relatives.

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

"Scheme" means the scheme to which these rules apply.

"Scheme Administrator" means the person or persons responsible for the discharge of the functions conferred or imposed on the scheme administrator of the Scheme by and under the Act.

“Scheme Trustee” shall mean the person named as Scheme Trustee in the Adopting Deed and any successor for the time being appointed in accordance with Rule 4.1;

“Uncrystallised Fund” means any part of an Individual Fund which is not Unsecured Fund or Alternatively Secured Fund (and has not been applied towards the provision of any other benefit in accordance with the Rules).

“Unsecured Fund” means any part of an Individual Fund which is designated as available for the provision of *unsecured pension* in accordance with Rule 20 or which in the opinion of the Scheme Trustee should be so designated to reflect any regulations made under section 283(2) or any designation existing immediately before the Rules took effect, and which has not become Alternatively Secured Fund.

- 1.2 Where the context does not require otherwise:
 - 1.2.1 terms given a specific meaning in the Act shall have the same meaning where they are identified in *italics* in the Rules;
 - 1.2.2 references to all or part of a section or schedule shall be taken as references to the relevant provision of the Act;
 - 1.2.3 references to any gender shall include any other gender;
 - 1.2.4 references to the singular shall include the plural and vice versa.
- 1.3 Reference to any enactment or regulations shall include reference to any statutory amendment or re-enactment for the time being in force and where appropriate any subsequent related regulations or other legislation.
- 1.4 Indices and headings are included for convenience only and shall not affect the interpretation of the Rules.

2. CONSTITUTION OF SCHEME

- 2.1 The Fund shall be vested in the Scheme Trustee upon irrevocable trusts, to be applied in accordance with the Rules.
- 2.2 The Scheme Trustee shall maintain a separate record of each Individual Fund and its investment or other application.
- 2.3 The Scheme Trustee may conclusively determine whether or not any person is a Beneficiary and the amount of any Benefit, and may also conclusively determine all questions and matters of doubt arising in connection with the Scheme.
- 2.4 No person shall have any claim, right or interest in respect of the Fund except under the Rules.
- 2.5 No person shall have any right to enforce any provision of the Rules by virtue of the Contracts (Rights of Third Parties) Act 1999 which he would not have apart from that Act.

- 2.6 The Rules shall in all respects be governed by and interpreted according to the laws of England. The parties submit to the exclusive jurisdiction of the courts of England.

3. AMENDMENT OF THE RULES

- 3.1 The Provider with the consent of the Scheme Trustee may by deed amend, modify, add to or delete all or any of the provisions of the Rules and any such amendment modification addition or deletion may take effect from a date earlier than the date of the relevant deed, PROVIDED THAT:
- 3.1.1 no amendment shall be made if it would prejudice the status of the Scheme as a *registered pension scheme*;
 - 3.1.2 Any alteration to the provisions hereof shall be notified to the Members in writing or by sending them a copy of the relevant deed.
- 3.2 The power in Rule 3.1 shall continue to be exercisable without restriction throughout the winding up of the Scheme.

4. TRUSTEES: APPOINTMENT OF REMOVAL

- 4.1 The Scheme Trustee and the Provider may at any time by deed:
- 4.1.1 remove the Scheme Trustee or any other person as a trustee of the Scheme;
 - 4.1.2 appoint one or more persons to be replacement or additional trustees of the Scheme.
- 4.2 There shall be no maximum nor minimum number of trustees of the Scheme. A corporate body may act as a trustee and as sole trustee whether or not it is a trust corporation or has been preceded in office by more than one trustee.
- 4.3 Where a corporate body acts as a trustee its powers, duties, authorities and discretions are to be exercisable either by its board of directors or by any one or more of its duly authorised officers.

5. TRUSTEES: POWERS, DUTIES & DISCRETIONS

- 5.1 The Scheme Trustee is granted all the powers, rights, privileges and discretions it may lawfully require for the proper implementation of the Scheme, including the performance of all duties imposed by law and may do anything expedient or necessary for the support and maintenance of the Scheme or for the benefit of the Beneficiaries (including for the avoidance of doubt the institution, defence, compromise and settlement of legal proceedings, whether brought by or against a Beneficiary or otherwise). Any powers granted by these Rules shall be in addition to those granted by law.

- 5.2 The Scheme Trustee may effect such insurance for such risks and for such amounts as it considers prudent, including without limitation insurance against any loss or damage caused by any act or omission of itself or any person appointed under this Rule 5.
- 5.3 The Scheme Trustee may:
- 5.3.1 delegate or authorise sub-delegation of any of its duties, powers and discretions, including without limitation the powers of appointment under Rule 5.4;
 - 5.3.2 grant authority to execute deeds and any other documents and give receipts or discharges for any moneys or other property
- to any one or more persons whom it considers competent including any Beneficiary (and in the case of a corporate trustee, any director or other officer), subject to such terms as it thinks fit and it shall not be liable for any loss arising as a consequence.
- 5.4 The Scheme Trustee may, in relation to the whole or any part of the Scheme or Fund appoint and remove (or arrange for the appointment and removal of):
- 5.4.1 any investment managers, nominees, custodians, sub-custodians and other persons concerned with the management or custody of assets;
 - 5.4.2 any agents in any transaction or in the administration of the Scheme or Individual Fund;
 - 5.4.3 any actuary, solicitor, accountant, auditor or other adviser;
 - 5.4.4 any clerical or executive officers or staff
- in each case upon such terms, as to remuneration liability and indemnity and otherwise, as it thinks fit.
- 5.5 The Scheme Trustee may at its absolute discretion accept for the purposes of the Scheme or renounce any gifts, donations or bequests.

6. TRUSTEES: INVESTMENT

- 6.1 The Scheme Trustee has full powers of investment and application of the Fund including all such powers which it could exercise if it were absolutely and beneficially entitled to the Fund. In particular and without prejudice to the generality of the foregoing the Scheme Trustee may invest or apply all or any part of the Fund in any part of the world:
- 6.1.1 in deferred or immediate annuity policies, life assurance policies, retirement, endowment or sinking fund contracts or policies each of which are effected with an insurance company;
 - 6.1.2 in any interest in land or property (including commercial and residential property);

- 6.1.3 in units, unit trusts or mutual funds or other common investment funds or securitised issues or any other form of collective investment;
- 6.1.4 in the purchase of or subscription for or in underwriting, sub-underwriting or guaranteeing the subscription of any stocks, shares, debenture stocks or other investments;
- 6.1.5 in entering into and engaging in any obligations or contracts or dealings including dealings in currencies, traded options, financial futures, commodities or commodity futures;
- 6.1.6 in choses in action and other personal chattels (and, in Scotland, movable property whether corporeal or incorporeal) and any other asset, whether wasting or depreciating or otherwise;
- 6.1.7 in the insurance of any assets of the Fund against any risks and for any amounts;
- 6.1.8 by opening and operating accounts with any local authority, bank, *insurance company*, building society or finance company upon such terms as the Scheme Trustee thinks fit;
- 6.1.9 by participating in any scheme of deposit administration or any managed fund administered by an *insurance company*; and
- 6.1.10 by participating in any investment (whether income producing or not) or in the acquisition, and/or development of any interest in land or property jointly with any other party or parties whether as partners or as trustees to hold it upon trust for sale or otherwise, even if the interest of the Scheme Trustee in any such venture is a minority interest

and may

- 6.1.11 lend monies to, and borrow or raise monies from, any person for such purposes and upon such security and subject to such terms as it considers fit;
- 6.1.12 sell, lend, lease, license, surrender, assign, convert, repair, alter, improve, maintain, develop, demolish, vary or transpose any assets of the Fund;
- 6.1.13 enter into any arrangements with an *insurance company* to reinsure the whole or any portion of the risks undertaken, and in particular including reinsuring against any excess of claims that might fall upon the Scheme owing to a catastrophe or epidemic;
- 6.1.14 make any other arrangements with an *insurance company* for the provision of all or any Benefits

in each case alone or jointly with the trustees of any other *pension scheme* or arrangement or any other person and whether or not the Scheme Trustee or any Beneficiary or any delegate, agent, adviser or other person appointed under Rule 5, or any person connected or associated with any of them, is a party to any transaction concerned or otherwise has a personal interest or interest in another fiduciary capacity.

- 6.2 The Scheme Trustee shall, in relation to an Individual Fund, exercise the powers in Rule 6.1 only in accordance with any directions given by the relevant Member or Dependant, except where to do so would in the opinion of the Scheme Trustee:

- 6.2.1 breach the provisions of the Rules, prejudice the status of the Scheme as a *registered pension scheme* or provide a benefit not specifically permitted by the Rules or be (or be treated as making) a *scheme chargeable payment*;
- 6.2.2 prevent or unduly delay recovery of any amount under Rule 7.5 or payment of Benefits or any other payment required for the proper administration of the Scheme generally; or
- 6.2.3 breach any restrictions on particular investments or classes or descriptions of investment which the Scheme Trustee may in its absolute discretion impose from time to time for this purpose (whether those restrictions are imposed in respect of the whole Scheme or any particular category or description of Members or Dependants).
- 6.3 The Member or Dependant may appoint any person acceptable to the Scheme Trustee for the purposes of directions to be given by him in accordance with Rule 6.2 and shall provide to the Scheme Trustee any information or assurance that it may request in connection with such appointment.
- 6.4 Any provision made under the power to insure in respect of any Benefit (whether immediate or contingent) may be made by effecting an individual annuity contract or policy in the name of the Beneficiary or in the name of the Scheme Trustee or (if the contract or policy was initially effected in the name of the Scheme Trustee) by assigning it to the Beneficiary. Each contract or policy must be subject to any terms and conditions necessary to comply with the Pension Schemes Act 1993.

7. LIABILITY, RECOVERY OF CHARGES, EXPENSES ETC.

- 7.1 The duty of care under section 1 of the Trustee Act 2000 shall not apply to any trustee in relation to the Scheme.
- 7.2 Except as specifically required by the Rules, no trustee of the Scheme shall be required to consult, or act upon the wishes of, Beneficiaries and section 11(1) of the Trusts of Land and Appointment of Trustees Act 1996 shall not apply to the Scheme.
- 7.3 None of the Scheme Trustee, Scheme Administrator or the Provider shall be liable, responsible or chargeable in any manner whatsoever except in the event of its own deliberate breach of trust committed in deliberate disregard of the proper instructions of a Member or Dependant, or actual fraud.
- 7.4 Rule 7.3 shall apply separately to each of the Scheme Administrator, Scheme Trustee and the Provider. If the inclusion of any words in Rule 7.3 would at law render ineffective the protection of the Scheme Trustee, Scheme Administrator or the Provider then the clause is to be read with such words omitted.
- 7.5 The Scheme Trustee may, without the agreement of any Beneficiary and to the extent permitted by section 256 of the Pensions Act 2004, recover out of the relevant Individual Funds any fees or charges imposed by the Scheme Trustee, the Scheme Administrator or the Provider in accordance with such terms as may be notified from time to time together with any losses, liabilities, costs, charges or expenses (including any fees, charges or expenses of persons appointed pursuant to Rule 5) or other amounts the Scheme Trustee or the Scheme Administrator or the Provider may suffer or incur in connection with or in relation to:

- 7.5.1 investment;
- 7.5.2 any proceedings brought in order to comply or procure compliance by any Beneficiary or other person with any obligation imposed by law or by this deed or any agreement made under it;
- 7.5.3 any unsuccessful actions, proceedings or claims brought by or on behalf of a Beneficiary;
- 7.5.4 any other actions, proceedings or claims;
- 7.5.5 any liability to tax or other imposition of any kind in respect of any payment of Benefit;
- 7.5.6 the proper administration of the Scheme generally

except to the extent that such amounts:

- 7.5.7 are recoverable under any policy of insurance and would not be recoverable but for this exception, or
- 7.5.8 are suffered or incurred by the Scheme Trustee or Scheme Administrator or Provider as a result of its own deliberate breach of trust committed in deliberate disregard of the proper instructions of the relevant Member or Dependant, or actual fraud

and the Scheme Trustee shall pay over to the Scheme Administrator or the Provider or the person appointed pursuant to Rule 5 amounts so recovered or retain them for its own benefit, as appropriate in terms of the person by whom the corresponding amount was suffered or incurred.

- 7.6 Notwithstanding Rule 7.5 the Scheme Trustee shall not be obliged to bring, pursue, defend or appeal any proceedings or decisions in relation to the Scheme.
- 7.7 Any trustee engaged in any profession or business shall be entitled to be paid and retain all usual professional or proper charges and commissions for business done by him or his firm in connection with the Scheme including acts which a trustee who is not in any profession or business could have done personally.
- 7.8 The Scheme Trustee may take out trustees' indemnity insurance or (in the case of a corporate trustee) directors' and officers' insurance to cover any liability or potential liability which it may have in respect of the Fund and the cost of premiums shall, to the extent permitted by section 256 of the Pensions Act 2004, be borne by the Fund.
- 7.9 Each Member and Dependant shall indemnify and keep indemnified the Provider, the Scheme Administrator and the Scheme Trustee against any amounts described in Rule 7.5 to the extent the same are not recoverable by the Scheme Trustee under that Rule.
- 7.10 No decision of or exercise of a power, duty or discretion by the Scheme Trustee or by any delegate shall be invalidated or questioned on the ground that he had a personal interest in the manner or result of the decision or of exercising the power, duty or discretion. The Scheme Trustee or delegate shall be entitled to retain beneficially any Benefit or other interest which he may have under the Scheme.

7.11 In this Rule 7:

- 7.11.1 references to the Scheme Trustee shall be taken to include any former Scheme Trustee and any present or former officer of a present or former corporate Scheme Trustee;
- 7.11.2 references to proceedings shall be taken to include any investigation by the Pensions Ombudsman or Financial Ombudsman Service, and any other form of action, proceeding or claim.

8. SCHEME ADMINISTRATOR

- 8.1 The Provider may from time to time with the consent of the existing Scheme Administrator appoint in writing one or more persons resident in the United Kingdom to act as Scheme Administrator jointly with, or in place of, the existing Scheme Administrator. Where no such appointment has been made, the Scheme Administrator shall be the Scheme Trustee.
- 8.2 Any person required by the Rules to act as Scheme Administrator shall make any declaration to HMRC and do any other thing required to enable him so to act.
- 8.3 The Scheme Trustee shall provide, and shall exercise its powers under the Rules to procure the provision of, such documents records and other information and assistance as the Scheme Administrator may reasonably request in connection with the functions conferred or imposed on it by and under the Act.
- 8.4 The Scheme Administrator may appoint any one or more persons to act as a practitioner or other agent on such terms as to remuneration and otherwise as may be approved by the Scheme Trustee. Any costs and expenses incurred as a result of such appointment shall be borne in accordance with Rule 7.5.

9. PROVIDER

- 9.1 The Provider may with the consent of the Scheme Trustee enter into a deed with another person (the "Replacement Provider") and with the Scheme Trustee, under which that person undertakes the liabilities and responsibilities of the Provider under the Scheme. In that event, the Provider shall be released from all such liabilities and responsibilities and these Rules shall have effect as if the Replacement Provider were the Provider.
- 9.2 If at any time the Provider:
 - 9.2.1 has ceased to exist;
 - 9.2.2 has an administrative receiver as defined in Section 29(2) of the Insolvency Act 1986 appointed in respect of all or part of its property;
 - 9.2.3 has a liquidator appointed under Part IV of the Insolvency Act 1986;

9.2.4 has an administrator appointed under Part II of the Insolvency Act 1986

then all its powers and discretions under the Rules and any other provision governing the Scheme, whether fiduciary or not, shall vest in and be exercisable by the Scheme Trustee alone and any requirement for its consent or approval or similar shall not apply.

10. TRANSFERS BETWEEN SCHEMES

- 10.1 The Scheme Trustee may at its absolute discretion accept in respect of any person a transfer of all or any of the assets of another *pension scheme* to the Scheme, to provide such Benefits as the Scheme Trustee may specify, to and in respect of that person.
- 10.2 If the purpose of a transfer made to the Scheme under Rule 10.1 is the provision or continuation of a pension permitted by the *pension death benefit rules*, these Rules shall apply to such pension as if the person in respect of whose death it is payable had been a Member at the date of his death.
- 10.3 The Scheme Trustee may at its absolute discretion make a transfer of an Individual Fund (or an amount representing it) to another *registered pension scheme* or *qualifying recognised overseas pension scheme*, to provide such benefits under the other scheme as may be offered by the trustees or managers of the other scheme.
- 10.4 The Scheme Trustee shall not be required to obtain the consent of the person or persons in respect of whom a transfer is made under Rule 10.3 except:
- 10.4.1 in relation to a transfer which would prejudice Enhanced Protection, whether an *impermissible transfer*, or a transfer that is not a *permitted transfer*, or otherwise;
- 10.4.2 in relation to a transfer that is not a *recognised transfer*, or
- 10.4.3 where required by law.
- 10.5 In connection with any transfer the Scheme Trustee shall have power to provide such information to such persons as may be required by the Act or otherwise as it may in its absolute discretion determine to be necessary.
- 10.6 A transfer made from the Scheme under Rule 10.3 shall (subject to any special terms or conditions imposed by the Scheme Trustee) extinguish the Individual Fund concerned and any corresponding entitlement to Benefits and the Scheme Trustee shall be released from any liability in respect of those Benefits.

11. BUYING OUT BENEFITS

- 11.1 The Scheme Trustee may at any time arrange with an *insurance company* to secure outside the Scheme the Benefits payable or prospectively payable out of an Individual Fund, by:

- 11.1.1 application of the Individual Fund or its proceeds towards the purchase of an appropriate policy from, or entry into an appropriate contract with, the *insurance company*;
- 11.1.2 assignment of the benefit of any policy or contract forming part of that Individual Fund and previously effected in the names of the Scheme Trustee or its nominees with that *insurance company*

in either case on such terms as the Scheme Trustee in its absolute discretion thinks fit.

- 11.2 Following such application, the Scheme Trustee shall be discharged from all claims in respect of such Benefits.

12. WINDING UP AND DISSOLUTION

- 12.1 The remaining provisions of this Rule 12 shall apply upon:-
 - 12.1.1 the Provider so resolving; or
 - 12.1.2 the eightieth anniversary of the date of establishment of the Scheme, unless the Scheme can then lawfully be continued.
- 12.2 The Scheme shall be determined and the Fund shall be wound up provided that the trusts of the Scheme shall remain in force and all powers under the Rules shall remain exercisable until the Fund has been completely wound up.
- 12.3 The Scheme Trustee shall apply any General Fund in accordance with Rule 24.
- 12.4 The Scheme Trustee shall apply each Individual Fund in the following order:
 - 12.4.1 in discharging so much of the actual or anticipated costs, charges and expenses of and incidental to the application of the Fund (including the remuneration of professional advisers) as the Scheme Trustee in its absolute discretion may determine;
 - 12.4.2 in provision of any *lump sum death benefit* payable in respect of a death occurring before the application of this Rule 12;
 - 12.4.3 securing benefits in respect of the relevant Member or Dependant in such one or more of the ways described in Rule 12.5 as the Scheme Trustee in its absolute discretion may determine having regard to the Benefits that would otherwise have been payable from the Scheme.
- 12.5 The ways described in this Rule are:
 - 12.5.1 purchase of an immediate or deferred annuity from an *insurance company* on any terms;
 - 12.5.2 payment of a lump sum permitted by the *lump sum rule*;
 - 12.5.3 payment of a transfer in accordance with Rule 10.3.

- 12.6 The determination of the Scheme Trustee under this Rule 12 as regards the application of the Fund shall be absolute and final and every Member or other recipient shall accept the amount of his benefit in respect of him in full discharge of all claims against the Fund or the Scheme and shall have no further claim whatsoever.
- 12.7 If the assets of the Fund include annuity contracts or annuity policies effected in the name of the Scheme Trustee or its nominees with any *insurance company*, it shall either:
- 12.7.1 enter into an arrangement with the *insurance company* to assign them to, or transfer or secure them in trust for, the person or persons entitled to benefit under them, or
 - 12.7.2 assign them to another pension scheme
- as appropriate.

Part 2 – Membership and Benefits

13. MEDICAL EVIDENCE AND OTHER RELEVANT INFORMATION

- 13.1 The Scheme Trustee may at any time request any Beneficiary to supply such evidence of age, good health, marital status, rights and entitlements under other *pension schemes* and other evidence and information as it may reasonably require, and may withhold payment of all or part of any Benefits until the evidence or information is received and accepted by the Scheme Trustee as correct and sufficient.
- 13.2 Any Beneficiary shall without delay notify the Scheme Trustee of any event or fact which affects or may affect his eligibility to participate in the Scheme or his entitlement or prospective entitlement under it.

14. ADMISSION TO MEMBERSHIP

- 14.1 The Scheme Trustee may in its absolute discretion admit any individual as a Member.
- 14.2 Admission to Membership shall be subject to such requirements and on such terms, whether generally or in any particular case, as the Scheme Trustee may in its absolute discretion determine.

15. CONTRIBUTIONS

- 15.1 A Member and, with the consent of the Scheme Trustee, any other person may make contributions to such one or more new or existing Individual Funds of the Member of such amounts and at such times as the contributor may decide, subject only to any restrictions the Scheme Trustee may from time to time consider appropriate.

16. MULTIPLE INDIVIDUAL FUNDS

- 16.1 The Scheme Trustee may at any time at the request of a Member treat any existing part of his Individual Fund or any new contribution in respect of a Member as if it were a separate Individual Fund, in which case it:
- 16.1.1 shall constitute a separate Individual Fund for the purposes of the Rules (including without limitation this Rule 16.1); but
- 16.1.2 shall not constitute a separate arrangement for the purposes of the Act unless the Member expressly so requests.

17. BENEFITS FOR MEMBER

17.1 Any Uncrystallised Fund of a Member shall:

17.1.1 be applied to pay a *pension commencement lump sum* in accordance with Rule 19; and

17.1.2 (as to any remainder) become designated as available for the provision of *unsecured pension* in accordance with Rule 20

on the day before the Member's 75th birthday or on such earlier date as the Member may select, being not earlier than the earliest date on which:

17.1.3 the Member reaches his *normal minimum pension age* (or any *protected pension age*); or

17.1.4 the *ill-health condition* is met.

18. BENEFITS FOLLOWING DEATH OF MEMBER

18.1 On the death of a Member the Scheme Trustee shall apply his Individual Fund in such one or more of the following ways as the Scheme Trustee in its absolute discretion may determine:

18.1.1 designation as available for the provision of *unsecured pension* or *alternatively secured pension* for one or more surviving Dependants in accordance with Rule 20;

18.1.2 provision of one or more *lump sum death benefits* in accordance with Rule 21;

18.1.3 if no person exists for whom benefits can be provided in accordance with the preceding provisions of this Rule 18.1, allocation to the General Fund.

18.2 On the death of a Dependant for whom *income withdrawal* was being provided in accordance with Rule 20 following the death of a Member, the Scheme Trustee shall apply the Dependant's Individual Fund in such one or more of the following ways as the Scheme Trustee in its absolute discretion may determine:

18.2.1 designation as available for the provision of *unsecured pension* or *alternatively secured pension* for one or more other Dependants of the Member in accordance with Rule 20;

18.2.2 provision of one or more *lump sum death benefits* in accordance with Rule 21;

18.2.3 if no person exists for whom benefits can be provided in accordance with the preceding provisions of this Rule 18.2, allocation to the General Fund.

18.3 If a Dependant, for whom *income withdrawal* was being provided in accordance with Rule 20 following the death of a Member, ceases to be a Dependant, the Scheme Trustee shall apply the Dependant's Individual Fund in such one or more of the following ways as the Scheme Trustee in its absolute discretion may determine:

- 18.3.1 designation as available for the provision of *unsecured pension* or *alternatively secured pension* for one or more other Dependants of the Member in accordance with Rule 20; or
- 18.3.2 if no person exists for whom benefits can be provided in accordance with the preceding provisions of this Rule 18.3, allocation to the General Fund.

19. PENSION COMMENCEMENT LUMP SUM

- 19.1 A *pension commencement lump sum* to be provided in accordance with this Rule:
 - 19.1.1 shall be of such amount (consistent with the Act) as the Member may specify; and
 - 19.1.2 shall be paid within the period of twelve months beginning when this Rule applies (or within such shorter period as the Act may require in any particular case).

20. INCOME WITHDRAWAL

- 20.1 Where this Rule applies to an individual's Unsecured Fund or Alternatively Secured Fund, the Scheme Trustee shall pay out of that Unsecured Fund or Alternatively Secured Fund to the individual such amounts and at such times as the individual may specify, provided that:
 - 20.1.1 no payment shall be made if it would not qualify as *income withdrawal*; and
 - 20.1.2 the Scheme Trustee may impose such restrictions as to timing and minimum and maximum amounts of payments as it may reasonably consider appropriate.

21. LUMP SUM DEATH BENEFITS

- 21.1 On the death of an individual who is a Member or Dependant, any part of his Individual Fund to be applied in accordance with this Rule shall be paid to or for the benefit of (or by way of settlement or otherwise to trustees, including trustees of any discretionary trust, for the benefit of persons including) such one or more of the following and in such proportions as the Scheme Trustee in its absolute discretion may determine:
 - 21.1.1 the individual's Relatives;
 - 21.1.2 any person for whom *income withdrawal* may be provided on that death (whether actually provided or not);
 - 21.1.3 (on the death of a Member) any person or body nominated for this purpose by the Member;
 - 21.1.4 (on the death of a Dependant) any person or body nominated for this purpose by the Member (or if the Member made no nomination, the Dependant);

- 21.1.5 any person entitled under the individual's will to any interest in the individual's estate;
 - 21.1.6 the individual's *personal representatives* (but not if the payment would then pass as bona vacantia); and
 - 21.1.7 (on the death of an individual at or after age 75 without having made a nomination falling within Rule 21.1.3 or 21.1.4 as appropriate), a *charity* selected by the Scheme Administrator).
- 21.2 Any payment out of an Uncrystallised Fund in accordance with this Rule must be made before the end of the period of two years beginning with the day on which the individual died (or with such later day as the Act may permit in any particular case) .

22. ALTERNATIVE APPLICATION OF INDIVIDUAL FUND

- 22.1 The Scheme Trustee may at any time at the request of the relevant Member or Dependant (or, where the Member or Dependant is deceased, his *personal representatives*) apply all or any part of the Member's or Dependant's Individual Fund to provide any one or more of the benefits:
- 22.1.1 permitted by any of the *pension rules, lump sum rule, pension death benefit rules and lump sum death benefit rule*; and
 - 22.1.2 not otherwise permitted by the Rules

to or for the benefit of the Member or Dependant or any other person and the Scheme Trustee shall not be liable for any loss or tax charge or other liability which the Member or Dependant or any person claiming in respect of him may suffer as a result.

23. PAYMENT OF BENEFITS

- 23.1 Any Benefit shall be paid by bank transfer or otherwise as may be agreed with the recipient.
- 23.2 If the Scheme Trustee has taken out an insurance policy with an *insurance company* to meet any obligations to pay Benefits then those Benefits shall be payable only if and to the extent that the Scheme Trustee is able to recover payment under the terms of the insurance policy.
- 23.3 If and for so long as a person entitled to a Benefit from an Individual Fund is a minor, or in the opinion of the Scheme Trustee unable to act by reason of mental disorder or otherwise, the Scheme Trustee may pay or direct the payment of the Benefit to any one or more of his parents, guardians, spouse or other person legally appointed or authorised to receive it on his behalf to be applied for his benefit.
- 23.4 Any payment made under Rule 23.3 shall operate as a complete discharge to the Scheme Trustee and it shall not be under any liability to enquire into its application.

24. APPLICATION OF THE GENERAL FUND

- 24.1 The Scheme Trustee may at any time recover out of the General Fund any amounts described in Rule 7.5 to the extent the same are not recoverable from the relevant Individual Funds and may set aside so much of the remaining General Fund as it in its absolute discretion considers may be required to meet any such amounts in the future.
- 24.2 The Scheme Trustee may at any time apply any General Fund not applied or set aside under Rule 24.1 in such one or more (if any) of the following ways as it in its absolute discretion may determine;
- 24.2.1 increasing any Individual Fund;
 - 24.2.2 payment to a *charity*;
 - 24.2.3 any other way which in the opinion of the Scheme Trustee is consistent with the status of the Scheme as a *registered pension scheme*.

25. NOMINATIONS AND NOTICES

- 25.1 Any nomination under the Rules shall be made by notice to the Scheme Trustee.
- 25.2 Notices to the Scheme Trustee or the Scheme Administrator shall be given in writing and shall not be effective until actually received. The Scheme Trustee or Scheme Administrator may waive all or part of these requirements in relation to any notice to be given to it.

26. TAXATION AND OVERPAYMENTS

- 26.1 Without prejudice to any other provision of the Rules, the Scheme Trustee shall be entitled to deduct from any payment made to any person or body a sum equal to any charge to tax to which the Scheme Trustee or Scheme Administrator are, or may become, liable as a result of the payment (whether by virtue of the payment being a *scheme chargeable payment* or otherwise) and shall remit the amount to the appropriate office of HMRC. Where the Scheme Trustee is uncertain of the extent of any tax liability, it may at its absolute discretion either deduct such amount as it may determine or postpone the payment.

27. FORFEITURE, ETC.

- 27.1 The Scheme Trustee may in its absolute discretion determine that any Benefit of a Beneficiary shall, even if it would otherwise belong absolutely to the Beneficiary, be forfeited if:
- 27.1.1 the Beneficiary fails to claim it within six years of the date on which it becomes due; or

- 27.1.2 the Beneficiary attempts to assign or surrender it or it becomes the subject of a transaction or purported transaction which under the Rules or by operation of law is of no effect.
- 27.2 In a case to which Rule 27.1.1 applies, the part of the Individual Fund representing the amount forfeited shall become part of the General Fund.
- 27.3 In a case to which Rule 27.1.2 applies, any part of the Individual Fund representing the amount forfeited may be applied to provide such one or more other benefits to or in respect of the Beneficiary as are permitted by the Rules and as the Scheme Trustee in its absolute discretion may determine, and any remainder shall become part of the General Fund.

28. PENSION SHARING

- 28.1 The Scheme Trustee shall discharge any liability in respect of a person acquiring a *pension credit* in such one or more of the following ways as it in its absolute discretion shall think fit:
- 28.1.1 admitting that person as a Member in accordance with the Rules and determining for that person an Individual Fund equal in value to an amount representing that credit;
 - 28.1.2 making a transfer payment in respect of that person in accordance with Rule 10.3 (as if the reference to Beneficiary included that person and as if the reference to Individual Fund were to an amount representing that credit);
 - 28.1.3 applying an amount representing that credit towards the purchase of an appropriate policy from, or entry into an appropriate contract with, an *insurance company* in respect of that person.
- 28.2 The Scheme Trustee may at its absolute discretion reduce either or both of:
- 28.2.1 the amount representing the credit; and
 - 28.2.2 the Individual Fund subject to the corresponding *pension debit*
- by an amount or amounts representing in aggregate all or any part of the costs, charges or expenses incurred in connection with the credit (whether in the provision of any relevant information, the implementation of any relevant order.

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I.P.M. SIPP Administration Limited is Authorised and Regulated by the Financial Services Authority

IPM Personal Pension Scheme



Trust Deed

adopting provisions to govern protected rights for the

IPM Personal Pension Scheme

(effective 1st October 2008)

Dated 1st October 2008

Trust Deed

adopting provisions to govern protected rights for the

IPM

Personal Pension

Scheme

PARTIES

- 1 BANK OF SCOTLAND Plc (company number SC327000, whose registered office is at The Mound, Edinburgh, EH1 1YZ) (in this deed called the Provider).
- 2 I.P.M. SIPP ADMINISTRATION LIMITED (company number 3002939) (in this deed called the Scheme Trustee).

RECITALS

- (A) The IPM Personal Pension Scheme (in this deed called the Scheme) is a personal pension scheme which is now governed by rules adopted by a deed dated 5th April 2007 (in this deed called the Existing Provisions).
- (B) The parties have agreed to adopt provisions to allow the Scheme to become an appropriate scheme for the purposes of the Pension Schemes Act 1993 and in particular to govern the administration of funds representing protected rights (within the meaning of that Act).

OPERATIVE PROVISIONS

- 1 Pursuant to rule 3 of the Existing Provisions the Provider with the consent of the Scheme Trustee amends the Existing Provisions as follows:
 - 1.1 by inserting the following immediately after rule 28:

“29. The appendix to these Rules shall have effect.”
 - 1.2 by adding as an appendix the appendix to this deed.
 - 2 The provisions of this deed shall have effect on and from 1 October 2008.
 - 3 This deed may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which is original but all of which together constitute one and the same instrument.
- IN WITNESS OF WHICH this document is executed as a deed and is delivered on the date stated above.

SIGNED as a deed, and delivered when dated, BANK OF SCOTLAND Plc acting by:

A. McMillan

..... : Authorised Signatory

SIGNED as a deed, and delivered when dated, by I.P.M. SIPP ADMINISTRATION LIMITED acting by:

D. A. Sutcliffe

..... : Director

Name: David Andrew Sutcliffe

J. A. Lochery

..... : Director

Name: Jonathan Andrew Lochery

Appendix

(Protected Rights and Safeguarded Rights)

(I.P.M. 2008)

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Part A – General

1. INTERPRETATION

In this Appendix unless the context requires otherwise:

- 1.1 "1993 Act" means the Pension Schemes Act 1993;
- 1.2 "Appropriate Annuity" means a *lifetime annuity* meeting the annuity requirements set out in or prescribed under section 29 of the 1993 Act (in the case of Protected Rights) or regulations 6 to 8 of the Pension Sharing (Safeguarded Rights) Regulations 2000 (in the case of Safeguarded Rights);
- 1.3 "Protected Rights" has the meaning given by paragraph 4.1;
- 1.4 "Protected Rights Fund" in relation to a Member and an Individual Fund means that part of the Individual Fund which represents Protected Rights of the Member;
- 1.5 "Rules" means the rules to which this Appendix has been added and of which it forms part;
- 1.6 "Safeguarded Rights" has the meaning given by paragraph 14.1;
- 1.7 "Safeguarded Rights Fund" in relation to a Member and an Individual Fund means that part of the Individual Fund which represents Safeguarded Rights of the Member;
- 1.8 a reference to a paragraph is to be taken as a reference to the corresponding paragraph in this Appendix;
- 1.9 terms not otherwise given a specific meaning in this Appendix shall have the specific meaning (if any) given to them in the 1993 Act.

2. PURPOSE AND APPLICATION

- 2.1 This Appendix is intended to set out the additional conditions that the Scheme must meet in order to be an appropriate scheme.
- 2.2 This Appendix shall override any other provision of the Rules with which it conflicts, except where that would be inconsistent with the Scheme's status as a *registered pension scheme*.
- 2.3 This Appendix shall have effect on and from the effective date specified in any appropriate scheme certificate applicable to the Scheme, which may be earlier than the date on which the application for that certificate was made.
- 2.4 This Appendix:
 - 2.4.1 shall not, and shall not be taken to, impose any restriction which is not required for the Scheme to be an appropriate scheme; but
 - 2.4.2 shall, and shall be taken to, impose any restriction which is so required and is not set out in any other provision of this Appendix.
- 2.5 No provision of this Appendix or the Rules shall have effect to the extent that it would result in a breach of section 38 of the 1993 Act.
- 2.6 The Scheme Trustee shall, as soon as reasonably practicable, procure such amendments to this Appendix and execute such other documents and take such further steps as may be required by the Department for Work and Pensions or by HMRC in order to maintain the status of the Scheme as an appropriate scheme.
- 2.7 Where there is more than one Individual Fund in respect of an individual, this Appendix shall apply to each Individual Fund separately.

3. EXPENSES ETC, SUSPENSION AND FORFEITURE

- 3.1 For the avoidance of doubt the provisions of the Rules relating to the deduction, payment or other recovery of any costs, tax, charges, expenses, fees or commissions shall apply to any Protected Rights Fund and any Safeguarded Rights Fund as they apply to any other part of the relevant Individual Fund.
- 3.2 The only circumstances in which payments giving effect to a Member's Protected Rights or Safeguarded Rights may be suspended are:
- 3.2.1 that the person who is entitled to payments giving effect to those rights is, in the opinion of the Scheme Trustee, unable to act by reason of mental disorder, in which case sums equivalent to such payments:
- (a) must, except in so far as such sums are not, in the opinion of the Scheme Trustee, required for the maintenance of the pensioner, be paid or applied for his maintenance,
 - (b) may, in so far as such sums are not, in the opinion of the Scheme Trustee, required for the maintenance of the pensioner, be paid or applied for the maintenance of any dependants of the pensioner,
 - (c) must, in so far as such sums are not, in the opinion of the Scheme Trustee, required for the maintenance of the pensioner or of any dependant of his, be held by the Scheme Trustee for the pensioner until he is again able to act or, if he should die before that happens, for his estate.
- 3.2.2 that that person is undergoing a period of imprisonment or detention in legal custody, in which case equivalent sums must be paid or applied during such a period for the maintenance of such one or more of that person's dependants as the Scheme Trustee may in its discretion determine.
- 3.3 The only circumstances in which payments giving effect to a Member's Protected Rights or Safeguarded Rights may be forfeited are:
- 3.3.1 that the Scheme Trustee does not know the address of the person to whom the payment should be made; and
- 3.3.2 that a period of at least 6 years has elapsed from the date on which that payment became due.

Part B – Protected Rights

4. CALCULATION & IDENTIFICATION OF PROTECTED RIGHTS

- 4.1 A Member's Protected Rights are his rights to money purchase benefits under the Scheme which derive from:
 - 4.1.1 any payment of minimum contributions to the Scheme; and
 - 4.1.2 protected rights under another scheme which have been the subject of a transfer payment; and
 - 4.1.3 guaranteed minimum pensions under an occupational pension scheme, or guaranteed minimum pensions appropriately secured by virtue of section 19 of the 1993 Act, which have been the subject of a transfer payment;
 - 4.1.4 section 9(2B) rights under an occupational pension scheme, or section 9(2B) rights appropriately secured by a transaction to which Part III of the Occupational Pension Schemes (Discharge of Liability) Regulations 1997 applies, which have been the subject of a transfer payment;
 - 4.1.5 a payment made to the Scheme in accordance with section 7 of the Social Security Act 1986 and regulation 3(10) of the Personal and Occupational Pension Schemes (Incentive Payments) Regulations 1987;
 - 4.1.6 a payment under section 42A(3) of the 1993 Act made to the Scheme in accordance with regulation 37(6) of the Occupational Pension Schemes (Contracting-out) Regulations 1996;
 - 4.1.7 a payment attributable to tax relief on the employee's share of minimum contributions, being the difference between that share and the grossed-up equivalent of that share (the expressions "employee's share" and "grossed-up equivalent" having the meanings given to them by section 649(2) of the Income and Corporation Taxes Act 1988).
- 4.2 A Member's Protected Rights shall be reduced or extinguished by the application of a pension debit or a civil recovery order, in each case to the extent appropriate in accordance with section 10(4) to (6) of the 1993 Act.
- 4.3 The Scheme Trustee shall ensure that a Member's Protected Rights are:
 - 4.3.1 identifiable separately from any other rights under the Scheme; and
 - 4.3.2 calculated in a manner no less favourable than that in which the value of any other rights of the Member to money purchase benefits under the Scheme are calculated.

5. CONTRIBUTIONS

- 5.1 Neither the Scheme Trustee nor any other person concerned with the operation of the Scheme shall be under any obligation to accept the payment of any minimum contributions.
- 5.2 Any minimum contributions accepted into the Scheme in respect of a Member must be applied so as to provide money purchase benefits for or in respect of that Member, except so far as they are used:
 - 5.2.1 to defray the administrative expenses of the Scheme; or
 - 5.2.2 to pay commission.
- 5.3 Any minimum contributions falling to be applied so as to provide benefits in respect of a Member are to be:

- 5.3.1 so applied from the date on which payment of them is made to the Scheme and
- 5.3.2 allocated to that Member's Protected Rights Fund within three months of that date.

6. BENEFITS FOR MEMBER

- 6.1 Before the death of the Member, effect may be given to his Protected Rights only by:
 - 6.1.1 provision of a lump sum satisfying paragraph 9.1;
 - 6.1.2 provision of *income withdrawal* subject to paragraph 11;
 - 6.1.3 purchase of an Appropriate Annuity.

7. BENEFITS ON DEATH OF MEMBER

- 7.1 On the death of a Member before effect has been given to his Protected Rights, effect may be given to them only:
 - 7.1.1 by provision of a lump sum satisfying paragraph 10.1;
 - 7.1.2 by provision of *dependants' income withdrawal* subject to paragraph 12, or purchase of an Appropriate Annuity, for any surviving Partner;
 - 7.1.3 if
 - (a) there is no surviving Partner, or
 - (b) the Scheme Trustee of the scheme, having taken reasonable steps to ascertain whether there is a surviving Partner, concludes in good faith that there is not, or
 - (c) the surviving Partner dies before the Member's Protected Rights Fund is applied.

by provision of *uncrystallised funds lump sum death benefits* to be paid to or for the benefit of any one or more persons in accordance with directions given by the Member in writing, or to the Member's estate.
- 7.2 On the death of a Member in receipt of *income withdrawal*, any remaining Protected Rights Fund may be applied only to provide:
 - 7.2.1 *dependants' income withdrawal* subject to paragraph 12, or purchase of an Appropriate Annuity, for any surviving Partner;
 - 7.2.2 if there is no surviving Partner, a lump sum or sums to be paid to any one or more persons in accordance with directions given by the Member in writing or, where no such directions are given, to his or her estate.

8. BENEFITS ON DEATH OF PARTNER

- 8.1 On the death of a Partner in receipt of *dependants' income withdrawal*, any remaining Protected Rights Fund shall be applied to provide a lump sum or sums to be paid to any one or more persons in accordance with directions given by the Partner in writing or, where no such directions are given, to his or her estate.

9. LUMP SUM FOR MEMBER

- 9.1 This paragraph is satisfied if the lump sum qualifies as-
- 9.1.1 a *pension commencement lump sum* satisfying paragraph 9.2;
 - 9.1.2 a *serious ill-health lump sum* satisfying paragraph 9.3 where appropriate;
 - 9.1.3 a *trivial commutation lump sum*; or
 - 9.1.4 a *winding-up lump sum*.
- 9.2 This paragraph is satisfied if the amount of the *pension commencement lump sum* does not exceed 25% of the value of the Protected Rights Fund from which it is derived.
- 9.3 Where a Member qualifies for a *serious ill-health lump sum* and, on the date he qualifies, he has a spouse and the Scheme also provides for the payment of a pension to a surviving Partner, then this paragraph is satisfied if the Scheme retains a sum equal to at least one half of the value on that date of the Member's Protected Rights Fund from which the *serious ill-health lump sum* is derived.

10. LUMP SUM ON DEATH OF MEMBER

- 10.1 This paragraph is satisfied if the lump sum qualifies as-
- 10.1.1 a *trivial commutation lump sum death benefit*; or
 - 10.1.2 a *winding-up lump sum death benefit*.

11. MEMBER'S INCOME WITHDRAWAL

- 11.1 Any *income withdrawal* for a Member from a Protected Rights Fund shall terminate on such date as the Member shall elect.
- 11.2 Any part of the Protected Rights Fund remaining on such termination shall be applied in the purchase of an Appropriate Annuity.

12. PARTNER'S INCOME WITHDRAWAL

- 12.1 Any *dependants' income withdrawal* for a Partner from a Protected Rights Fund shall terminate on such date as the recipient shall elect.
- 12.2 Any part of the Protected Rights Fund remaining on such termination shall be applied in the purchase of an Appropriate Annuity.

13. TRANSFERS

- 13.1 A transfer payment in respect of a Protected Rights Fund may be made to either:
- 13.1.1 another appropriate scheme; or
 - 13.1.2 an occupational pension scheme,
- but in each case only in accordance with regulations 3 to 5 of the Protected Rights (Transfer Payment) Regulations 1996.

Part C – Safeguarded Rights

14. CALCULATION & IDENTIFICATION OF SAFEGUARDED RIGHTS

- 14.1 A Member's Safeguarded Rights are such of his rights to future benefits under the Scheme as are attributable (directly or indirectly) to a pension credit and as represent the safeguarded percentage (within the meaning of section 68A of the 1993 Act) of the rights acquired by virtue of:
- 14.1.1 the credit, in the case of rights directly attributable to a pension credit; and
 - 14.1.2 the payment, in the case of rights directly attributable to a transfer payment.
- 14.2 The Scheme Trustee shall ensure that a Member's Safeguarded Rights are:
- 14.2.1 identifiable separately from any other rights under the Scheme; and
 - 14.2.2 calculated in a manner no less favourable than that in which the value of:
 - (a) any other rights which that Member has under the Scheme; and
 - (b) any Protected Rights under the Scheme from which the Member's Safeguarded Rights are derivedare calculated.

15. BENEFITS FOR MEMBER

- 15.1 Before the death of the Member, effect may be given to his Safeguarded Rights not earlier than the Member's 60th birthday but not later than the Member's 65th birthday (unless a later date has been agreed by him) and in any event only by:
- 15.1.1 provision of a *trivial commutation lump sum*; or
 - 15.1.2 provision of *income withdrawal* subject to paragraph 16; or
 - 15.1.3 purchase of an Appropriate Annuity.

16. MEMBER'S INCOME WITHDRAWAL

- 16.1 Any *income withdrawal* for a Member from a Safeguarded Rights Fund shall terminate on such date as the Member shall elect, being not later than his 75th birthday.
- 16.2 Any part of the Safeguarded Rights Fund remaining on such termination shall be applied in the purchase of an Appropriate Annuity.

17. TRANSFERS

- 17.1 A transfer payment in respect of a Safeguarded Rights Fund may be made to either:
- 17.1.1 a money purchase contracted-out scheme or a salary related contracted-out scheme, if the person with safeguarded rights is an active member of such a scheme; or
 - 17.1.2 another appropriate scheme
- but in each case only in accordance with regulations 16 to 19, 22 and 24 of the Pension Sharing (Pension Credit Benefit) Regulations 2000.

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