

**DATED** *2 February* 2008

**TRUST DEED ESTABLISHING  
YMCA GROUP  
LIFE ASSURANCE SCHEME**

**SACKER<sup>®</sup>**  
PARTNERS

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**BETWEEN**

- (1) **THE NATIONAL COUNCIL OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS (Incorporated)** a limited company (registration number 73749) whose registered office is 640 Forest Road, London E17 3DZ ("**the Principal Employer**").
- (2) **THE YMCA PENSION PLAN TRUSTEE LIMITED** (registration number 5138299) whose registered office is at 640 Forest Road as above ("**the Trustees**").

**INTRODUCTION**

- A. The Principal Employer wishes to establish with effect from 1 May 2008 ("**the Effective Date**") a separate trust to be known as the YMCA Group Life Assurance Scheme ("**the Scheme**") to provide benefits on the death of certain employees.
- B. With effect from the **Effective Date** the Trustees will hold, under the trusts of the Scheme, a Policy (as defined in the Rules) to provide such benefits.
- C. It is intended that the Scheme be registered under Part 4 of the Finance Act 2004.

**OPERATIVE CLAUSES****1. Establishment of the Scheme**

The Trustees declare that with effect from the **Effective Date**, they will hold the Policy, the proceeds of it and any other property of the Scheme on trust to provide benefits in accordance with this deed and the rules annexed to it ("**the Rules**").

**2. Benefits**

- (a) Benefits shall be provided for and in respect of members in accordance with the Rules.

- (b) The Principal Employer may augment the benefits to which any person or class of persons may be entitled under the Rules but no such augmentation may operate so as to increase the benefits payable to or in respect of members to such extent as would prejudice the Scheme's status as a Registered Pension Scheme.

### **3. *Obligations of the Principal Employer and the Participating Employers***

The Principal Employer and each of the Participating Employers covenant with the Trustees:

- (a) to pay the expenses incurred in connection with the establishment, administration and winding-up of the Scheme (as provided for under Rule 6.2); and
- (b) to make such contributions to the Scheme as the Trustees (acting in accordance with actuarial advice) determine are required to:-
  - (i) maintain, by the payment of premiums, an insurance policy to secure benefits that may become due to Members under the Scheme; and
  - (ii) enable the Trustees to fulfil their obligations.

### **4. *Alteration***

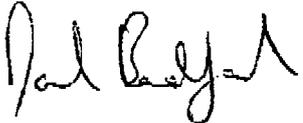
- (a) The Principal Employer may, at any time, with the Trustees' consent, alter any of the trusts, powers and provisions of the Trust Deed and the Rules.
- (b) Alterations must be made by deed executed by the Principal Employer and the Trustees and will have effect from the date of that deed or from such earlier or later date as is specified in that deed.
- (c) Alterations are subject to section 67 of the Pensions Act 1995.

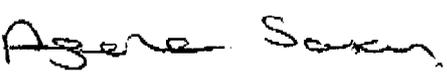
### **5. *Definitions and Interpretation***

- (a) Certain terms are defined in the Rules. They have the same meaning in this deed.
- (b) The provisions governing the interpretation of the Rules apply to this deed in the same way.

IN WITNESS of which these presents have been entered into as a deed on the day and year first before written.

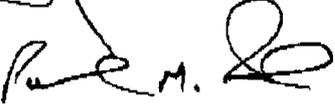
EXECUTED as a DEED by )  
THE NATIONAL COUNCIL OF )  
YOUNG MEN'S CHRISTIAN )  
ASSOCIATIONS (INCORPORATED) )  
affixing its Common Seal in )  
the presence of: )

Director 

Director/Secretary 

EXECUTED as a DEED by THE )  
YMCA PENSION PLAN TRUSTEE )  
LIMITED acting by - )

Director 

Director/Secretary 

**THE RULES  
OF THE  
YMCA GROUP  
LIFE ASSURANCE SCHEME**



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## **SECTION 1**

### **INTERPRETATION, GOVERNING LAW AND DEFINITIONS**

#### **1.1 *Interpretation***

- (1) In the interpretation of the Rules, unless the context requires otherwise -
- (a) the singular includes the plural and vice versa;
  - (b) references to legislation enacted in the United Kingdom, but which does not extend to Northern Ireland, include any corresponding legislation in force in Northern Ireland;
  - (c) references to any legislation or any provision of it include references to any subordinate legislation made under it;
  - (d) references to any legislation or any provision of it include references to any previous legislation or provision relating to the same subject-matter or to any modification or re-enactment of it for the time being in force. References to any subordinate legislation or any provision are to be similarly construed.
- (2) The headings to Rules and Sections are not to affect their construction or interpretation.

#### **1.2 *Governing Law***

The Rules are to be construed in accordance with English law. The Scheme and its administration are governed by English law.

#### **1.3 *Definitions***

"**Civil Partner**" means a civil partner under the Civil Partnership Act 2004.

**"Dependant"** has the meaning given to it in rule 4.2(4)

**"Discretionary Trusts"** means the trusts set out in rule 4.2.

**"Earnings"** means the Member's basic earnings from the Employer including London weighting and regional weighting but excluding any allowance, bonus, commission, overtime earnings or temporary or fluctuating emoluments.

**"Employee"** means any person who is in employment with any one or more of the Participating Employers.

**"Employer"** means the Participating Employer in whose Service a Member is or last was.

**"Fund"** means the assets from time to time held by the Trustees on the trusts of the Scheme.

**"HMRC"** means Her Majesty's Revenue & Customs.

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

**"Life Assurance Benefit"** means, in relation to a Member, the benefits that become payable under the Policy on his or her death.

**"Member"** means an Employee who has been admitted to membership of the Scheme in accordance with section 2 of the Rules and remains entitled or prospectively entitled to benefits from the Scheme.

**"Principal Employer"** means the National Council of Young Men's Christian Association (Incorporated) or its successor for the time being under the terms of the Scheme.

**"Participating Employers"** means -

- (a) the Principal Employer; and
- (b) any Associated Employer (as defined in rule 7.1) which is for the time being bound by an undertaking with the Trustees to participate in the Scheme, under rule 7.2.

**"Policy"** has the meaning given to it in rule 3.1.

"**Registered Pension Scheme**" has the meaning given by section 150(2) of the Finance Act 2004.

"**Rules**" means these rules and includes any alteration to them for the time being in force.

"**Scheme**" means this retirement benefits scheme constituted by the Trust Deed and the Rules.

"**Section**" means a section of the Rules

"**Service**" means :-

- (a) service as an Employee; and
- (b) any other period that the Principal Employer at any time, with the approval of the Member determines to be Service.

"**Trust Deed**" means the trust deed to which the Rules are annexed and includes any alterations to and any deeds supplemental to that deed.

"**Trustees**" means the trustees or trustee for the time being of the Scheme.

"**Year**" means a period of 12 months.

## **SECTION 2**

### **MEMBERSHIP**

#### **2.1 *Membership***

- (1) All Employees will be eligible for admission to the Scheme if invited to join by their Employer.
- (2) Admission is subject to such terms and conditions as the Trustees, with the Employer's consent, may prescribe.
- (3) Members are not required to make any contribution to the Scheme.

#### **2.2 *Information and Conditions***

- (1) The Member shall provide:
  - (a) evidence of health at such times and in such form as shall be required by the Trustees.
  - (b) such particulars, including proof of date of birth, and complete such forms at such times as shall be required by the Trustees.

If such evidence or particulars are not provided or are found to be unsatisfactory or incorrect, the Member's Life Assurance Benefit shall be restricted to such extent and in such manner as, subject always to the requirements of the Disability Discrimination Act 1995, the Trustees think fit.

#### **2.3 *Special Cases***

Notwithstanding rule 2.1:

- (a) An Employer may direct the Trustees that an individual or class of that Employer's Employee is not to be admitted under Rule 2.1. The Trustees must comply with any such direction.

- (b) An individual or class of Employee may be admitted to or remain in membership on special terms determined by their Employer and notified to the Member and the Trustees.

#### **2.4 Absence**

- (1) An Employee may, at the discretion of the Trustees and with the agreement of the Employer, and subject to the terms of the Policy referred to in Rule 3.1 remain a Member while he is temporarily absent from work.
- (2) The Employer may, during any period of absence of any Member, with the agreement of the Trustees reduce or cancel any benefit.

#### **2.5 Ending Membership**

- (1) A person shall, unless the Principal Employer and the Trustees agree otherwise, cease to be a Member on the earliest of the following events:-
  - (a) if he or she opts-out of membership of the Scheme by giving one month's written notice (or such shorter period as the Trustees may decide either generally or in an individual case) in the form prescribed by the Trustees;
  - (b) he or she leaves Service (unless he or she remains a Member by virtue of rule 2.3 (b)); or
  - (c) if his or her Employer ceases to be a Participating Employer.
- (2) If an Employee ceases to be a Member, no benefits shall arise on his or her death after that date.

## SECTION 3

### INVESTMENTS

#### **3.1 *The Policy***

- (1) The Trustees shall effect and maintain in their names with one or more Insurance Companies, on such terms as they think fit and shall not prejudice the Scheme's status as a Registered Pension Scheme, a policy or policies of insurance on the lives of Members securing on the death of each Member in Service a cash sum equal to 4 times the Member's Earnings or such other amount as an Employer may instruct the Trustees in an individual case or generally.
- (2) The premium for such Policy shall be paid by the Participating Employers either to the Scheme or direct to the Insurance Company in the proportion determined by the Trustees.
- (3) Except as required by law, the Trustees shall not be under any obligation to insure any Member unless the insurance can be obtained on terms no less favourable than the standard terms for the time being of the Insurance Company or Companies with which the Policy is effected.
- (4) If the Trustees are not obliged to insure a Member pursuant to (3) above, they may with the consent of the Employer (and conditional upon the Employer making the contributions required by the Trustees to fund such benefits) by notice to the Member, offer a different or no benefit and the Member's Life Assurance Benefit will be adjusted accordingly. The Trustees shall enter into such arrangements as they think fit (whether by effecting an insurance policy, entering into arrangements with a Participating Employer or otherwise) for procuring payment of the adjusted Life Assurance Benefit on the death of the Member.

### **3.2 Other investments**

- (1) The Policy shall be the principal asset of the Scheme, but the Trustees will have, subject to compliance with the restrictions on employer related investments imposed by Section 40 of the Pensions Act 1995, power to make an investment of any kind as if they were absolutely entitled to the assets of the Scheme.
- (2) In exercising their power of investment, the Trustees shall comply with the Pensions Act 1995.

### **3.3 Insurances etc.**

- (1) The Trustees may effect (and subsequently vary, surrender, sell, exchange or dispose of) any insurance which they believe is suited for the purposes of the Scheme. Every insurance contract effected under this Rule must comply with any relevant requirements of the HMRC.
- (2) The Trustees may appropriate any insurance forming part of the Fund to the provision, in whole or in part, of any benefit payable or prospectively payable under the Scheme, whereupon -
  - (a) the rights of the person entitled or prospectively entitled to that benefit, or the relevant part, will be limited to that insurance;
  - (b) no person will have any right to resort to that insurance in priority to the person entitled to that benefit; and
  - (c) Section 8 (winding-up) will have effect subject to this provision.
- (3) The Trustees may subsequently assign the appropriated insurance to the person in (2) above, following which he or she will have no claim to the benefit, or the relevant part, under the Scheme. The insurance must -
  - (a) correspond or substantially correspond with; and

- (b) be expressed to be non-assignable and non-commutable except in the same circumstances and to the same extent as the benefits to the provision of which (in whole or in part) it is appropriated.
- (4) If any entitlement, or its nature or amount, under the Scheme is dependent on the future exercise of any discretion by the Trustees, they may, for the purposes of this Section, exercise that discretion to determine the existence, nature and/or amount of the entitlement.

## SECTION 4

### THE BENEFITS

#### **4.1 *Death in Service***

If a Member dies in Service the Trustees shall hold the cash sum payable under Rule 3.1(1) upon the Discretionary Trusts. If under the terms of the Policy a lesser amount is payable, then the cash sum payable shall be reduced accordingly.

#### **4.2 *Discretionary Trusts***

(1) Any cash sum payable under Discretionary Trusts, will be held by the Trustees with power (to be exercised, if at all, within two years after the death) -

(a) to pay all or any part of the sum to any one or more of the following persons -

(i) the deceased's Dependants (as defined in (4) below);

(ii) the persons entitled under his or her will to any interest in the estate;

or

(b) to determine that all or any part of the sum will be held upon trust for any one or more of the persons referred to in (a) above, at such age or time or respective ages or times and in such shares and either absolutely or for such period or respective periods and with such gifts over and with or subject to such discretionary trusts, powers and provisions and generally in such manner in all respects as the Trustees think fit;

or

(c) to pay all or any part of the sum to the deceased's personal representatives, to be held by them as an accretion to his or her residuary estate for all purposes.

(2) If and to the extent that the Trustees do not exercise their power under (1) above, they will hold the cash sum upon trust for the person or persons (other than the Crown, the

Duchy of Lancaster or the Duke of Cornwall for the time being) who, under the Administration of Estates Act 1925, would have become entitled to the deceased's residuary estate if he or she had died wholly intestate, solvent and domiciled in England. Those persons will take, if more than one, in the shares and in the events specified by that Act and on the footing that the property falling to be dealt with under this sub-rule comprises his or her entire residuary estate.

- (3) If the Trustees do not apply the cash sum under (1) or (2) above, they will hold it on the trusts of the Scheme as an accretion to the Fund for the general purposes of the Scheme.
- (4) In this rule "**Dependant**" means in relation to a deceased Member -
  - (a) any person, charity, club or society notified to the Trustees in writing by the deceased as a possible recipient of a benefit arising on his or her death. Provided that the Trustees may (but are not obliged to) enquire as to the objects of any such club or society and, if satisfied they are not lawful in the United Kingdom or any other sovereign state, they will not exercise any discretion in favour of that club or society; and
  - (b) the following relatives (and their spouses, Civil Partners and descendants) of the deceased or of his or her spouse or Civil partner - the spouse or Civil partner, children, parents, brothers, sisters, uncles and aunts, grandparents (including those relatives of the half-blood and stepchildren and illegitimate, legitimated or adopted children); and
  - (c) any person who was, in the Trustees' opinion dependent in any way and to any extent on the deceased or his or her spouse or Civil partner or for whom, in the Trustees' opinion, the deceased may have been expected to provide.
- (5) Sections 31 and 32 of the Trustee Act 1925 will be deemed to apply to any trusts under this rule, subject to the following -
  - (a) section 31 will apply as if "the Trustees may think fit" had replaced "may in all the circumstances be reasonable" in paragraph (i) of sub-section (1) and the proviso at the end of sub-section (1) had been omitted;

- (b) section 32 will apply as if paragraph (a) of the proviso to sub-section (1) had been omitted.
- (6)
  - (a) The Trustees may exercise their power under 1(a) above, in respect of an incapable Beneficiary, as provided in rule 6.14;
  - (b) The Trustees may exercise their power under (1)(b) above by paying the cash sum (or a part of it) to the trustees of any settlement (so as to become subject to the trusts of that settlement), which contains trusts for the benefit of all or any of the persons specified in (1)(b) (whether or not it contains trusts for the benefit of other persons).
- (7) The Trustees may appoint separate trustees of any trust arising under this rule. Any such appointment may provide that -
  - (a) the power of appointing new or additional trustees of such trust will be vested in such persons as may be specified;
  - (b) the power of investment applicable to the Fund will be varied or not varied in its application to such trust.
- (8) The Trustees, or any separate trustees of any trust arising under this rule, shall be entitled to the payment out of the property subject to that trust of -
  - (a) all costs, charges and expenses incurred by them in the execution of that trust; and
  - (b) such reasonable remuneration for their services as trustees of the trust as (in the case of the Trustees) is provided by the Rules and (in the case of separate trustees) is determined by the Trustees on the appointment of those separate trustees. But if the amount of such costs, charges and expenses incurred by the Trustees in the execution of any trust arising under this rule is trivial, or is not reasonably ascertainable, the Trustees may charge them to the Fund.
- (9) If any person has paid the funeral expenses of a deceased Member the Trustees may deduct from any lump sum which is expressed to be payable in accordance with this rule 4.2 on the death of such Member an amount equal to reasonable funeral

expenses and pay the amount so deducted to the person who has paid such funeral expenses.

#### **4.3 Surplus**

Any sum comprised in the Fund that is not required to provide lump sum benefits may, at the Trustees' discretion, be

- retained by the Trustees as a reserve for the payment of expenses including in connection with winding-up the Scheme; or
- used to pay premiums under the Policy; or
- otherwise applied for the purposes of the Scheme; or
- if it would not prejudice the Scheme's status as a Registered Pension Scheme and subject to the provisions of the Pensions Act 1995 and payment of tax, repaid to the Principal Employer.

## **SECTION 5**

### **TRUSTEES**

#### **5.1 *Appointment of Trustees***

- (1) The Principal Employer may, by instrument in writing, appoint (in place of or in addition to the Trustees for the time being) a corporate trustee and/or individual trustees.
- (2) The Principal Employer may, by instrument in writing, remove any trustee.
- (3) Part III of the Trustee Act 1925 applies as if the references in it to a trust corporation were replaced by references to a body corporate having power to act as a trustee of the Scheme.
- (4) A body corporate being a trustee shall be entitled to charge and be paid such remuneration for its services as may be agreed between such body corporate and the Principal Employer. Such charges shall be payable as an expense of the Scheme under Rule 6.2.

#### **5.2 *Records of Trustees' Proceedings***

- (1) The Trustees will keep minutes of all their proceedings and records of all their resolutions.
- (2) Any minute, if signed by the person who presided over the meeting at which the proceeding took place or who presides over the next following meeting, will be sufficient evidence of the matters to which it relates.

#### **5.3 *Exercise of Discretions***

- (1) Every discretion or power conferred by the Rules on the Trustees will be absolute and uncontrolled, except -
  - (a) it must not be exercised so as to infringe any undertaking given by the Trustees to the HMRC in connection with the Scheme's status as a Registered Pension

Scheme or so as to be likely, in the Trustees' opinion, to prejudice that status;  
and

(b) it must be exercised in such a manner as, in the Trustees' opinion, is consistent with retaining the scheme's status as a Registered Pension Scheme.

(2) The Trustees may vary or revoke any regulation or decision made by them under the Rules, unless -

(a) doing so would infringe (1)(a) or (b) above; or

(b) the original regulation or decision was expressed to be irrevocable; or

(c) the consent of another party was required to the original regulation or decision and that other party does not consent to its being varied or revoked.

#### **5.4 *Protection of persons dealing with Trustees***

No person dealing with the Trustees will be concerned -

(a) to enquire whether any power purported to be exercised by the Trustees is exercisable;

(b) to enquire as to the necessity or expediency of any term of such dealing or as to its propriety or regularity; or

(c) to see to the application of any money paid to the Trustees.

In the absence of fraud by that person, the dealing will, so far as regards that person's safety and protection, be deemed to be within the Trustees' powers and valid and effectual.

#### **5.5 *Professional advice***

The Trustees may engage or act on the advice or opinion (whether or not obtained by them, but subject to the provisions of the Pensions Act 1995) of -

- (a) any lawyer, broker, actuary, accountant, investment manager, medical practitioner or other professional person; or
- (b) any other person whom the Trustees reasonably believes to be qualified (by ability and practical experience) to advise on a matter.

The Trustees will not be responsible for any loss resulting from so acting.

#### **5.6 *Limits on Trustees' liability***

- (1) Subject to the Pensions Act 1995, no Trustee will be liable for, or for the consequences of -
  - (a) any loss of or any depreciation in or default upon any of the assets of the Scheme or for any delay which may occur from whatever cause in the investment of any moneys forming part of the Fund or for the safety of any securities or documents of title deposited by the Trustees for safe custody; or
  - (b) any act or omission by any nominee, delegate, sub-delegate or agent; or
  - (c) any mistake or forgetfulness, whether of law or fact, or for any breach of duty or trust whatsoever (whether by way of commission or omission) unless it is proved to have been made, given, done or omitted in personal conscious bad faith of the Trustee sought to be made liable.
- (2) No decision of or exercise of a power by the Trustees may be invalidated or questioned on the ground that the Trustees, or any of them, had a direct or indirect interest in that decision or in the exercise of that power but this shall not affect any duty owed by anyone who has such a direct or indirect interest to disclose it.
- (3) Any of the Trustees who is or has been a Member will be entitled to retain any benefit to which he or she is entitled by virtue of his or her membership of the Scheme.
- (4) The Trustees shall not be liable for failure to claim or recover any balance of pension paid in respect of a period after entitlement has ceased.

- (5) The Trustees may, for their personal protection and for the benefit of the Scheme, effect such insurance (which may include, but is not limited to, indemnity insurance for their benefit) as they consider appropriate and this shall be an expense of the Scheme.
  
- (6) In this rule references to the Trustees or a Trustee include any director officer or employee of a body corporate which is a Trustee of the Scheme.

## SECTION 6

### ADMINISTRATIVE PROVISIONS

#### **6.1 Administration and Management of Scheme**

- (1) The administration and management of the Scheme is vested in the Trustees.
- (2) The Trustees will have power generally to execute and do all such acts and things as they consider necessary or expedient for the maintenance and preservation of the Fund and the Scheme and of the rights of the Members and others under the Scheme.
- (3) The Trustees may appoint any person to be the administrator of the Scheme for the purposes of the Finance Act 2004. If they do not appoint any other person, the Trustees will be the administrator.

#### **6.2 Administrative Expenses**

- (1) The Trustees may, in accordance with Rule 4.3, apply any part of the Fund other than a Members Life Assurance Benefit to discharge any costs, charges and expenses incurred in connection with the establishment and administration of the Scheme and the Fund.
- (2) Subject to (1) above, the Participating Employers will pay, in such proportions as are determined by the Principal Employer, the amounts of all costs, charges and expenses incurred in connection with the establishment and administration of the Scheme.

#### **6.3 Trustees' Administrative Powers**

- (1) The Trustees may, with the Principal Employer's consent, make regulations or other provisions relating to the Scheme or the administration of the Fund which are not already provided for. The regulations or provisions must not conflict with the Rules.
- (2) In particular, but without limiting (1), the Trustees may exercise their powers under (1) for all or any of the following purposes -

- (a) to require evidence of the truth of any statement and the notification of any information relevant to the Scheme; and
- (b) if any person does not comply with any requirement of or made pursuant to the Rules, to make forfeit, reduce or withhold all or any part of the benefit payable to or in respect of that person (subject however to sections 91 to 95 of the Pensions Act 1995).

#### **6.4 Determination of questions by Trustees**

- (1) Subject to the powers conferred on the Participating Employers, the Trustees may decide all questions and matters of doubt arising under the Scheme.
- (2) Any such decision (whether made upon a question actually raised or implied in the acts or proceedings of the Trustees) will, so far as the law permits, be conclusive.
- (3) Neither the Trustees nor any of the Participating Employers will be liable for, or for the consequences of, any act done, or not done, or any payment made or not made in pursuance or purported pursuance of any such decision, even if it is subsequently held to have been wrong.

#### **6.5 Evidence supplied by Participating Employers**

The Trustees may accept any information relevant to the Scheme (about individuals or otherwise) supplied to them by a Participating Employer as conclusive evidence of the matter to which it relates.

#### **6.6 Compliance**

- (1) The Trustees shall procure that the Scheme is treated as a Registered Pension Scheme for the purpose of Finance Act 2004 and any modification or re-enactment thereof;
- (2) The Trustees may make any determination or give any undertaking for the purpose specified in sub-clause (a) or any related purpose and revoke or vary any such determination or undertaking.

Such determination, undertaking, revocation or variation shall :-

- (i) have effect according to its terms at the time specified in it, whether the date of such act or earlier or later, so that it has retrospective or future effect;
- (ii) be deemed to be incorporated in this deed and the Rules; and
- (iii) override all other provisions of the Scheme to the extent that they are inconsistent and are not part of the Preservation Requirements.

### **6.7 *Claims and Legal Proceedings***

The Trustees may -

- (a) settle, compromise or submit to arbitration any claim or dispute;
- (b) commence, carry on or defend proceedings

relating in any way to the Scheme or any person's rights under it.

### **6.8 *Resolution of Disputes***

The Trustees must establish and maintain arrangements for the resolution of disputes about matters relating to the Scheme, in accordance with the requirements of section 50 of the Pensions Act 1995.

### **6.9 *Delegation***

- (1) The Trustees may delegate all or any of their powers, duties and discretions under the Scheme to any person and on any terms (which may include power to sub-delegate). The Trustees may vary or revoke the delegation.
- (2) The Trustees will not be bound to supervise the action of the delegate or its sub-delegate, or be in any way responsible for any loss (however caused) suffered as a result of any delegation or sub-delegation.

- (3) The powers of delegation under this rule do not extend to the exercise of the power of alteration conferred by Section 9.

#### **6.10 *Benefits not assignable***

If a beneficiary attempts to assign or charge his or her benefit under the Scheme, or if an event occurs by which the benefit would (but for this rule) become payable to some other person, the benefit will cease to be payable. The Trustees may pay or apply (in such proportions as they decide) an amount equivalent to the benefit to or for the benefit of the beneficiary, his or her spouse or Civil Partner or issue, or any person financially dependent on the beneficiary.

#### **6.11 *Benefits not claimed***

- (1) A benefit under the Scheme ceases to be payable 6 years after it has fallen due, if the reason for its non-payment is the failure of any person to make any claim and the lack of any knowledge by the Trustees of the existence or continued existence or whereabouts of any person or of any relevant fact.
- (2) The provisions of (1) above are without prejudice to the right of the Trustees to pay any such benefit, or any part of it, if they think fit to do so. No interest will be added on any such payment, unless the Trustees decide otherwise.

#### **6.12 *Tax***

- (1) The Trustees may deduct from any payment under the Scheme a sum not exceeding the amount of any tax payable by them in respect or in consequence of that payment.
- (2) If any liability for inheritance tax or any other fiscal imposition arises in respect of any benefit under the Scheme, the Trustees may apply the benefit in whole or in part in the payment of such tax (including any interest due) and deduct the amount so paid from the benefit or postpone the payment of the benefit until the liability has been met or provision made for it to their satisfaction.

### **6.13 Notices**

Notice of any matter under the Rules must be given to the Trustees at the time and place and in the form and manner and with the supporting evidence (if any) stipulated by the Trustees.

### **6.14 Incapable Beneficiaries**

If the Trustees consider that a beneficiary is incapable of acting (because of the individual's minority, mental disorder, illness or otherwise) they may:-

- (a) exercise any option or give any notice under the Rules on behalf of the individual;
- (b) apply, for his or her benefit, the lump sum benefit due to the individual or pay it to some other person for that person to apply for the individual's benefit. The other person's receipt will be a full discharge to the Trustees, who may (but need not) oversee the application of the payment.

The Trustees may, for the purposes of this rule, accept as conclusive evidence a qualified medical practitioner's certificate regarding an individual's mental or physical capacity.

## **SECTION 7**

### **EMPLOYERS**

#### **7.1 *Associated Employer***

**"Associated Employer"** means

any individual, body corporate, partnership, unincorporated association or other legal entity which is designated by the Principal Employer as an "Associated Employer". Without limitation, the written certificate of the Secretary for the time being of the Principal Employer will be conclusive evidence that the individual, body corporate, partnership, unincorporated association or other legal entity has been designated by the Principal Employer as an "Associated Employer".

#### **7.2 *Becoming a Participating Employer***

An Associated Employer will become a Participating Employer if it, with the Principal Employer's and the Trustees' consent, enters into a covenant with them to observe and perform the provisions of the Trust Deed and the Rules. An Associated Employer may only become a Participating Employer if such participation would not prejudice the Scheme's status as a Registered Pension Scheme.

#### **7.3 *Employers' contributions***

Each Participating Employer will pay such contributions to the Scheme or direct to the Insurance Company as the Trustees from time to time determine.

#### **7.4 *Employers' duties***

Each Participating Employer must do all things and give to the Trustees all information in its power or possession which are necessary for the working of the Scheme.

## **7.5 Ceasing being a Participating Employer**

- (1) A Participating Employer (except the Principal Employer) will cease being a Participating Employer if -
  - (a) it gives three months written notice to the Trustees terminating its liability to contribute to the Scheme; or
  - (b) if it is an Associated Employer by virtue of a designation under rule 7.1 and that designation is revoked by the Principal Employer; or
  - (c) if the Trustees believe that its continued participation would prejudice the Scheme's status as a Registered Pension Scheme and give it written notice of cessation of participation.
- (2) The cessation will take effect from -
  - (i) in respect of Rule 7.5(1)(a), the expiry of three months written notice, or such shorter period as may be agreed by the Trustees; or
  - (ii) in respect of Rule 7.5(1)(b) and Rule 7.5(1)(c), the effective date stated in the notice.

## **7.6 Members' benefits when Participating Employer ceases**

- (1) Any Member whose Employer ceases being a Participating Employer will be treated as leaving Service when the cessation takes effect, unless he or she remains in Service with a continuing Participating Employer and that Participating Employer so directs.
- (2) When an Employer ceases to participate:-
  - (a) it is released from its liabilities in relation to the Scheme other than:-
    - (i) those that arose before the cessation; and
    - (ii) the obligation to provide relevant information to the Trustees; and

- (b) any powers or discretions conferred on the Employer shall be exercisable by the Principal Employer.

### **7.7 Replacement of Principal Employer**

An Associated Employer may, with the Trustees' consent and subject to Approval not being prejudiced, become the "Principal Employer" under the Trust Deed and the Rules in place of The National Council. The Principal Employer's consent will be required unless it has been dissolved. Following its replacement the Principal Employer will be released from all its obligations under the Trust Deed and the Rules (save any arising before, or by reference to a period before, the replacement) with effect from the date of the replacement.

## SECTION 8

### WINDING-UP

#### 8.1 *Closing events*

- (1) The Scheme will be closed if -
- (a) the Principal Employer gives written notice to the Trustees terminating its liability to contribute to the Scheme; or
  - (b) without an Associated Employer becoming the Principal Employer under rule 7.7, one of the following events occurs:
    - (a) the Principal Employer enters liquidation; or
    - (b) the Principal Employer is dissolved; or
    - (c) the whole of the Principal Employer's undertaking or business vests in another body.

In this Section "**the Closing Event**" means the moment at which the notice in (a) expires or the event in (b) occurs.

- (2) On the Closing Event all Members in Service on the Closing Event shall be treated as having left Service.

#### 8.2 *Winding up of the Scheme*

Following the Closing Event, the Trustees shall have the same powers as they would have had if the Scheme were continued until the whole Fund has been applied in accordance with this clause and the Trustees shall:-

- (a) pay any benefits which have already fallen due to be paid prior to the Closing Event (or secure the same whether through an insurance policy or otherwise) in respect of Members; and

- (b) (if the costs, charges and expenses are in the Trustees' opinion not recoverable from the Participating Employers) discharge all costs charges and expenses incurred in winding up the Scheme that are not paid by the Employers and any other sums properly payable out of the Fund;
- (c) subject as set out above, after obtaining the prior written approval of HMRC and paying the tax due, pay any balance of the Fund to the Employers in such proportions as the Trustees think equitable.