PLEASE READ THE FOLLOWING BEFORE USING THIS DOCUMENT

About this document

This deed is for Principal Employer that is a limited company, PLC, LLP, traditional partnership or an individual.

It has been prepared for customer use as an example template only.

It can be used by the Principal Employer of a group life assurance scheme to adopt a replacement governing trust deed and rules for a scheme that is registered with HM Revenue & Customs and is already operated in accordance with the requirements of the Finance Act 2004 that apply to schemes that are registered with HM Revenue & Customs.

It is not designed to be used, and should not be used, to confirm the scheme's compliance with HM Revenue & Customs' Finance Act 2004 requirements prior to the deed's intended effective date.

It is intended for execution in the UK in accordance with English Law.

Notes on the use of the template

1. Please complete the party, original commencement date and scheme name details on the first page. Refer to your governing trust deed for the relevant details.
2. Please complete the effective date details on the first page. The date on which the replacement declaration of trust and rules are to be adopted is the "Effective Date" of the deed.
3. Sections marked with an \* can be modified or deleted by Principal Employers who are not registered businesses, as applicable.
4. Each party to the document must also sign the document. The document has been prepared so that it can be executed in counterpart form, with separate copies capable of being signed by separate signatories.
5. The signature section on pages 5-7 includes alternative example signature clauses for use depending on whether the signatory is a limited company, PLC, LLP, traditional partnership or an individual. You are responsible for determining the appropriate method by which a signatory can sign the document. Corporate signatories are likely to have special rules governing how documents are to be signed, and by whom.
6. Once signed, you must ensure that the document is kept safely. You may be required to produce it if you wish to set up a trustee bank account to receive claim payments or if required by HM Revenue & Customs. It will also need to be referred to in the event that the trustees are required to pay a death benefit.

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| We recommend that you refer this document to your independent legal adviser for review to ensure that it meets your own circumstances before it is executed. You are responsible for any legal fees that you incur.  Provision of this template shall not constitute advice of any sort, whether legal or otherwise. Canada Life Limited does not provide a specialist legal documentation service. Canada Life Limited does not warrant that the template is suitable to your specific circumstances, in its present form or as it may be amended after you receive it, nor that its wording will be legally effective.  It remains your responsibility to ensure that the deed is appropriate and complete in all respects for its intended purpose.  Canada Life Limited shall not be liable for any loss or damage arising out of or in any way connected with the use of this template, whether in its original form or as amended under any law or on any basis whatsoever, whether contractual or otherwise, including, without limitation, any direct, indirect, incidental, special or consequential damages (such as loss of business or profits or any other financial loss).  The law and tax rules in relation to trust deeds are subject to change and as a result the deed may become outdated. However, Canada Life Limited is under no obligation to notify you of any such changes.  Nothing in this note shall restrict or limit Canada Life Limited's liability for death or personal injury caused by our negligence or for fraud or fraudulent misrepresentation.  All references to Canada Life Limited in this note shall be construed to include its affiliates or their respective directors, officers and employees. |

This deed of amendment (the "Deed") is made on the day set out below (the "Effective Date") by the principal employer and the trustees.

|  |  |
| --- | --- |
| Scheme Name (the "Scheme") |  |
| Original Commencement Date |  |
| Effective Date |  |
| Principal Employer (the "Principal Employer") |  |
| Registered Number of the Principal Employer\* |  |
| Registered Address of  the Principal Employer\* |  |
| Name and Address of the trustees (together, the "Trustees") | |
| Trustee 1 |  |
| Trustee 2 (if applicable) |  |
| Trustee 3 (if applicable) |  |

RECITALS:

1. This Deed is supplemental to the declaration of trust (the "Declaration of Trust") which established and currently governs the Scheme, on the terms and conditions set out in the Declaration of Trust, for the provision of benefits in respect of such persons as are admitted to membership.
2. The Scheme is currently governed by the Declaration of Trust and the rules appended to then (the "Rules").
3. Subject to certain conditions the Principal Employer may from time to time alter, add to or replace any of the provisions of the Declaration of Trust and/or Rules.
4. The Principal Employer wishes to amend the Declaration of Trust and the Rules hereby notifies the Trustees of such changes.

IT IS AGREED THAT:

1. With effect from the Effective Date the Principal Employer, in exercise of the relevant power granted to it under the Declaration of Trust, hereby amends the Declaration of Trust and Rules by replacing the recital and operative clauses of the Declaration of Trust and the entirety of the Rules with the provisions set out in the Schedule of this Deed. The Trustees, by their execution of this Deed, hereby signify their notification of the amendments made by this Deed.
2. This Deed shall be governed by and construed in accordance with the laws of England and the parties agree to submit to the exclusive jurisdiction of the courts of England.
3. It is hereby declared that none of the terms of this Deed or the Rules will be enforceable by virtue of section 1 of the Contracts (Rights of Third Parties) Act 1999 by any person (other than the Principal Employer, any Participating Employer or the Trustees) and in consequence neither the Principal Employer nor the Trustees will have any obligation to any such person in relation to the variation or termination thereof or otherwise.
4. This Deed may be executed in the form of two or more counterparts, each executed by one or more of the parties, but taken together executed by all of the parties, which shall together constitute one original instrument.

IN WITNESS whereof this Deed has been executed as a deed and is delivered and takes effect on the Effective Date

ALTERNATIVE SIGNATURE PROVISIONS – PLEASE AMEND / DELETE AS APPROPRIATE]

PRINCIPAL EMPLOYER:

[TO BE USED WHERE THE PRINCIPAL EMPLOYER IS A LIMITED COMPANY, PLC, OR LLP]

|  |  |  |
| --- | --- | --- |
| Signed as a deed on behalf of the Principal Employer by the following authorised signatories | | |
| ………………..…...………………..  Signature of Director of Limited Company or PLC / Member of LLP  …………………………..………….  Full name in block capitals | ……………..…..…………………...  Signature of Director of Limited Company or PLC / Company Secretary / Member of LLP  …………………..………………….  Full name in block capitals | Company seal (if required) |

[TO BE USED WHERE THE PRINCIPAL EMPLOYER IS A PARTNERSHIP]

|  |  |
| --- | --- |
| Signed as a deed by the Principal Employer by | |
| ……….……………………………………………….….  Signature  ……….…………………………………………….…….  Full name of signatory in block capitals  Acting as attorney of the Partners in the presence of  ……….………………………………………….……….  Witness' signature  ……….……………………………………………….….  Full name of witness in block capitals | ……….…………………………………..………………  Signature  ……….…………………………………………..………  Full name of signatory in block capitals  Acting as attorney of the Partners in the  presence of  ……….………………………………………..…………  Witness' signature  ……….…………………………………………...……...  Full name of witness in block capitals |

[TO BE USED WHERE THE PRINCIPAL EMPLOYER IS AN INDIVIDUAL]

|  |  |  |
| --- | --- | --- |
| Signed as a deed by the Principal Employer | | |
| ………………..………..…………...  Signature  ………………..…………..………...  Full name in block capitals | ………………..………………..…...  Signature of Witness  ……………...………………………  Full name in block capitals | Address of witness  ………………………….…………..  ………………………….…………..  ……………………….……………..  ……………………….……………..  Occupation of witness  ………………………….………….. |

TRUSTEES:

[TO BE USED WHERE TRUSTEE 1 IS A LIMITED COMPANY, PLC, OR LLP]

|  |  |  |
| --- | --- | --- |
| Signed as a deed on behalf of Trustee 1 by the following authorised signatories | | |
| …………………………..………….  Signature of Director of Limited Company or PLC / Member of LLP  ……………………………..……….  Full name in block capitals | …………..………………………….  Signature of Director of Limited Company or PLC /Company Secretary / Member of LLP  ………………………………..…….  Full name in block capitals | Company seal (if required) |

[TO BE USED WHERE TRUSTEE 1 IS A PARTNERSHIP

|  |  |
| --- | --- |
| Signed as a deed by Trustee 1 by | |
| ……….…………………………….…………………….  Signature  ……….……………………………………….………….  Full name of signatory in block capitals  Acting as attorney of the Partners in the presence of  ……….……………………………………….………….  Witness' signature  ……….……………………………………….………….  Full name of witness in block capitals | ……….…………………………..………………………  Signature  ……….………………………………………..…………  Full name of signatory in block capitals  Acting as attorney of the Partners in the  presence of  ……….……………………………………..……………  Witness' signature  ……….…………………………………………...……...  Full name of witness in block capitals |

[TO BE USED WHERE TRUSTEE 1 IS AN INDIVIDUAL]

|  |  |  |
| --- | --- | --- |
| Signed as a deed by Trustee 1 | | |
| ………………..………………..…...  Signature  ………………..………………..…...  Full name in block capitals | ………………..……………..……...  Signature of Witness  ……………...………………………  Full name in block capitals | Address of witness  ……………………….……………..  ………………………….…………..  …………………….………………..  …………………….………………..  Occupation of witness  ……………………….…………….. |

[TO BE USED WHERE TRUSTEE 2 IS AN INDIVIDUAL]

|  |  |  |
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| Signed as a deed by Trustee 2 | | |
| ………………..……………..……...  Signature  ………………..………………..…...  Full name in block capitals | ………………..………………..…...  Signature of Witness  ……………...……………..………..  Full name in block capitals | Address of witness  ………………………...……………  ………………………………..…….  …………………………..………….  ………………………………..…….  Occupation of witness  …………..…………………..……... |

[TO BE USED WHERE TRUSTEE 3 IS AN INDIVIDUAL]

|  |  |  |
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| Signed as a deed by Trustee 3 | | |
| ………………..………………….....  Signature  ………………..………………….....  Full name in block capitals | ………………..…………………….  Signature of Witness  ……………...………………………  Full name in block capitals | Address of witness  ……………………………………...  ……………………………………...  ……………………………………...  ……………………………………...  Occupation of witness  ……………………………………... |

Schedule

New Recitals of the Declaration of Trust and Replacement Rules

RECITALS:

1. The Principal Employer established the Scheme as a registered pension scheme under Section 153 of the Act to provide death in service benefits in respect of such persons as are admitted to membership (the "Members");
2. The expression "principal employer" shall include any other company, firm, undertaking, organisation or person which or who shall as a result of reconstruction, amalgamation, purchase or otherwise be the successor in business of the Principal Employer and which or who shall have assumed expressly or by implication the obligations of the Principal Employer under this Deed); and
3. The establishment of the Scheme and the main provisions of it have been or will be made known to all persons eligible for membership.

IT IS AGREED THAT:

1. This Deed and the rules appended to it (the "**Rules**") establish and govern the Scheme under irrevocable trusts on and from the Commencement Date (as defined above). The Principal Employer declares the Trustees to be the trustees for the time being of the Scheme and the Scheme's administrator for the purposes of Section 270 of the Act.
2. A Trustee may by deed retire from office as a trustee of the Scheme. The Principal employer may, by deed, appoint new or additional trustees or may appoint a body corporate as the sole trustee or as an additional trustee of the Scheme and may in its absolute discretion remove any Trustee.
3. Unless there is only a sole corporate Trustee, the Trustees shall make such arrangements for their meetings and for the conduct of their affairs (in addition to the provisions of this Deed and the Rules) as they, with the consent of the Principal Employer, may consider to be necessary.
4. The Trustees shall administer and manage the Scheme in accordance with the Rules and, subject to the powers, discretions and consents conferred on the Principal Employer or the Participating Employers, the Trustees will have all the powers necessary for the implementation of the Scheme and they may exercise their powers as they think fit.
5. The Trustees may delegate the exercise of any of their powers, duties and discretions as they consider appropriate. In doing so, the Trustees may impose such conditions and restrictions as they think prudent in the circumstances.
6. The Scheme shall provide death in service benefits in respect of employees of the Principal Employer and/or of any Participating Employer (as defined below) and any other persons eligible for membership.
7. (a) The Principal Employer may admit to participation in the Scheme any other employer (a "Participating Employer") provided that it executes a deed to add a new Participating Employer with the Trustees and the Principal Employer under which the Participating Employer covenants to discharge all of the obligations imposed upon it by the Deed and the Rules.

(b) Any Participating Employer will cease to participate in the Scheme on the expiration of three months' written notice to the Trustees (or such shorter period as the Participating Employer may agree with the Trustees) terminating their liability to pay contributions to the Scheme.

(c) The Principal Employer will be released from all its obligations as such if any Participating Employer agrees with the Principal Employer and the Trustees to be substituted as the new Principal Employer and executes a deed covenanting to undertake all the obligations of the Principal Employer under the Scheme.

1. The benefits under the Scheme shall be secured by a policy or policies effected by the Trustees with a United Kingdom branch or office of Canada Life Limited or any other insurance company (as that term is defined in Section 275 of the Act). Contributions shall be made to the Scheme in accordance with the provisions of this Deed and shall be applied by the Trustees to pay the premiums under such policy or policies.
2. The Trustees will decide matters of doubt arising in connection with the Scheme other than matters to be determined by the Principal Employer and the decision of the Trustees or the Principal Employer as appropriate on any matter to be decided by them will (except for manifest error) be conclusive.
3. The Trustees will hold the funds of the Scheme upon irrevocable trust to apply in accordance with the Deed and the Rules.
4. The Principal Employer covenants with the Trustees that it will discharge all the duties and obligations imposed on it under the Scheme or by law.
5. If the Trustees consider that any beneficiary of the Scheme is incapable of acting, by reason of illness, mental disorder or otherwise, they may apply any amounts due to that person for his benefit or may pay them to some other person to do so. The receipt of the person paid will be a full discharge to the Trustees. Any decision required to be made under the Scheme by such beneficiary may be made by the Trustees.
6. Except where a liability or expense arises from the Trustees' wilful neglect or default, fraud or deliberate breach of trust, the Trustees will not be liable for the consequences of any act or failure to act in connection with the Scheme. The Trustees will be indemnified by the Principal Employer against all liabilities incurred by them in the management and administration of the Scheme. Provided that a Trustee engaged in the business of providing a trustee service for payment will be liable for its negligent acts or omissions.
7. The Trustees will not be obliged to bring or defend any legal proceedings in relation to the Scheme and will not be chargeable with any breach of trust in any way in connection with any such omission.
8. The Trustees, including the directors and employees of a corporate Trustee, will not be liable in respect of any payment of benefit to any person erroneously made by them in good faith.
9. The Trustees will not be liable for any loss that results from having acted upon the advice of any solicitor, accountant, broker, medical practitioner or any other professional person.
10. Any person will be entitled to benefit under the Scheme regardless of whether that person is a Trustee or a director or employee of a corporate Trustee. No decision of or exercise of a power or discretion by the Trustees will be invalidated or questioned on the ground that any Trustee, or a director or employee of a corporate Trustee, had a direct or other personal interest in such decision or the mode or result of exercising such power, right or discretion.
11. The expenses of the management and administration of the Scheme (including any expenses incurred in dealing with any dispute relating to the Scheme) will be paid by the Principal Employer unless arrangements have been made between the Principal Employer and the Trustees to enable the Trustees to do so from the assets of the Scheme.
12. Subject to the registered status of the scheme not being prejudiced, the Principal Employer may (without prior notice to the Members) at any time by deed amend or add to all or any of the provisions of this Deed and/or the Rules and such amendments or additions may be made retrospectively in so far as permitted by law and in so far as will not alter the purpose of the Scheme. After an amendment or addition to the Rules has been implemented, the Trustees shall be notified and shall, in turn, notify affected Members of its effect.
13. The Principal Employer may at any time at its absolute discretion discontinue the Scheme and the trusts of the Scheme shall be terminated and the Principal Employer shall notify the Trustees, all Participating Employers and Members of any such discontinuance.
14. The Scheme shall in any event be discontinued and the trusts of the Scheme terminated no later than on the expiry of a period of one hundred and twenty five years (or such longer period as may be lawful) after the Commencement Date. Such period shall be the perpetuity period of the trusts of the Scheme.
15. The Scheme shall in all respects be governed by and interpreted according to the laws of England and be subject to the exclusive jurisdiction of the courts of England.
16. (a) References in this Deed and the Rules:
    * 1. to an employee of the Principal Employer and of any Participating Employer shall, where appropriate, be deemed to include a reference to a director of the Principal Employer and of any Participating Employer; and
      2. to any statute shall be deemed to include a reference to any statutory amendment modification or re-enactment thereof and any statutory regulations made thereunder for the time being in force.
    1. Where the context so admits words importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine provided that this shall not make references to the widow of a male Member include the widower of a female Member.
17. It is hereby declared that none of the terms of this Deed or the Rules will be enforceable by virtue of section 1 of the Contracts (Rights of Third Parties) Act 1999 by any person (other than the Principal Employer, any Participating Employer or the Trustees) and in consequence neither the Principal Employer nor the Trustees will have any obligation to any such person in relation to the variation or termination thereof or otherwise.
18. This Deed may be executed in the form of two or more counterparts, each executed by one or more of the parties, but taken together executed by all of the parties, which shall together constitute one original instrument.

Appendix  
RULES OF THE SCHEME

1. Definitions

In the Deed and the Rules the following expressions shall have the meanings ascribed to them below.

"Act" means the Finance Act 2004 or any statutory amendment modification or re­enactment thereof for the time being in force.

"Assurance Company" means Canada Life Limited or such other insurance society, company or institution as may for the time being secure benefits under the Scheme by a policy or policies effected by the Trustees.

"Capital Sum" means the total of any benefits payable under the Policy on a Member's death as a lump sum or a lump sum cash equivalent to be applied in accordance with Rule 4.

"Civil Partner" means, in relation to a Member who has died, the Member's civil partner, for the purposes of section 1 of the Civil Partnership Act 2004, immediately prior to his death provided that a person shall only be regarded as a Civil Partner if details of such person and of such person's registration of civil partnership to the Member are supplied to the Trustees at such time and in such form as the Trustees may require.

"Commencement Date" means the date the Scheme is to commence and operate from, as defined in the Deed.

"Deed" means the declaration of trust to which these Rules are appended and (where the context admits) such other deed or deeds by which all or any of the provisions of such deed are amended, extended, modified or added to in accordance with the provisions thereof.

"Defined Benefits Lump Sum Death Benefit" has the meaning given in paragraph 13 of Schedule 29 to the Act.

"Dependant" means in relation to a Member: (i) the Member's Spouse or Civil Partner; (ii) a child of the Member who is under age 23 or who has reached that age and who in the opinion of the Trustees, at the date of the Member's death is dependent on the Member because of physical or mental impairment; or (iii) any other individual who, in the opinion of the Trustees is financially dependent on the Member, or whose financial relationship with the Member is one of mutual dependence, or who is dependent on the Member because of physical or mental impairment at the date of the Member's death. For the purpose of this definition: (a) a child of the Member shall include any step-child of the Member and any child whom the Member has legally adopted; and (b) in any case of doubt, the decision of the Trustees as to whether or not a person is a Dependant shall be final and binding.

"Dependants' Scheme Pension" has the meaning given in paragraph 16 in Part 2 of Schedule 28 to the Act.

"Employers" means collectively the Principal Employer and each Participating Employer (as defined in the Deed). In respect of any Member 'the Employer' means that one or more of the Principal Employer and Participating Employer in whose business he is for the time being engaged provided that, for the purposes of the Scheme, a Member who transfers from one Employer to another shall not be regarded as having ceased to be in Service.

"Family Leave" means a period of paid or unpaid maternity, paternity, adoption, parental and other associated leave under the Employment Rights Act 1996, the Maternity and Parental Leave Regulations 1999, the Paternity & Adoption Leave Regulations 2002 and the Additional Paternity Leave Regulations 2010. This includes any continuation of such absence that the Principal Employer, with the agreement of the Assurance Company, decides to treat as Family Leave.

"Information Requirements" means with the requirements of the Revenue relating to the provision of information and the keeping of records as set out in sections 250 to 252 of the Act.

"Member" means a member of the Scheme.

“Participating Employer” means the Participating Employer as defined in the Deed (if any).

"Policy" means the policy or policies for the time being in force in connection with the Scheme and effected by the Trustees with the Assurance Company to secure benefits in accordance with the Rules.

"Principal Employer" means the Principal Employer as defined in the Deed.

"Qualifying Child" means in relation to a Member who has died any person who is: (i) a natural or legally adopted child of the Member at the time of the Member's death; and (ii) who is under age 23, provided that any child who was financially dependent on the Member at the time of the Member's death or in respect of whom the Member then stood in loco parentis and who, in either case, satisfies sub-clause (ii) above may, at the Trustees' discretion and with the agreement of the Assurance Company be treated as a Qualifying Child. 'Qualifying Children' shall be interpreted accordingly.

"Qualifying Dependant" means in relation to a Member who has died such person as is selected by the Trustees and who was either the Member's Spouse, Civil Partner or Qualifying Child or was, in the opinion of the Trustees, either financially dependent on the Member or dependent on the Member because of physical or mental impairment, at the time of his death, or whose financial relationship with the Member was one of mutual dependence.

"Relative" means in relation to a Member a person (other than a Dependant) who is the Member's: (i) child (or the spouse or civil partner of such child) or grandchild; or (ii) father or mother; or (iii) brother or sister (whether of the whole or half blood) or any child of such brother or sister or any spouse of any person mentioned in this sub­paragraph (iii). For the purposes of this definition: (a) a relationship acquired by process of legal adoption shall be as valid as a blood relationship, child shall include step-child and father and mother shall include step-father and step-mother and; (b) in any case of doubt the Trustees' decision as to whether or not a person is a Relative shall be final and binding.

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

"Rules" means these rules and shall include any amendments to such rules for the time being in force.

"Scheme" means the scheme named in clause A of recitals of the Declaration of Trust.

"Service" means in relation to a Member his total service with the Employers.

"Spouse" means in relation to a Member who has died the person who was married to the Member immediately prior to his death provided that a person shall only be regarded as a Spouse if details of such person and of such person's marriage to the Member are supplied to the Trustees at such time and in such form as the Trustees may require.

"Trustees" means the trustee or trustees of the Scheme appointed by the Principal Employer under and/or in accordance with the Deed.

Where the context so admits words importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine provided that this shall not make references to the widow of a male Member include the widower of a female Member.

Reference to any statute shall be deemed to include a reference to any statutory amendment modification or re-enactment thereof and any statutory regulations made thereunder for the time being in force.

1. Membership

A person is eligible for membership of the Scheme if he satisfies the eligibility conditions adopted by the Principal Employer and agreed from time to time between the Trustees and the Assurance Company for the purposes of the Policy.

An eligible person's membership of the Scheme shall commence on the date on which he first satisfies such conditions.

At the discretion of the Trustees and with the approval of the Employer and subject to any special terms and restrictions required by the Trustees, the Employer and the Assurance Company, a person may be included in the Scheme before he satisfies the eligibility conditions and a person who would not otherwise be (or remain) eligible for membership of the Scheme may nevertheless be deemed to be (or remain) so eligible.

A person may give notice in writing to his Employer of his intention not to become, or to cease to be, a Member whereupon he will not become, or will cease to be, a Member upon receipt of such notice by the Employer. An Employer who receives such a notice will promptly inform the Trustees in writing and the Trustees will inform the Assurance Company in writing.

Details of the Scheme shall be given to all persons who are eligible for membership.

The decision of the Principal Employer as to whether an employee of an Employer is a Member will be final.

1. Contributions

Each of the Employers shall contribute to the Scheme such amounts as are required to pay the premiums under the Policy in respect of that Employer's Members.

No contributions are payable by Members to the Scheme.

1. Benefits

If the Policy specifies that a lump sum will be payable on a Member's death, it will be payable in accordance with Rule 6 (Payment of Lump Sum Benefit) below. The amount of the lump sum will be the amount appropriate to the Member under the Policy subject to the 'Benefit Limit' provision below.

If the Policy specifies that a pension will be payable on a Member's death, it will be payable in accordance of Rule 7 (Payment of Pension Benefit) below. The amount of the pension will be the amount appropriate to the Member under the Policy subject to the 'Benefit Limit' provision below.

If the Policy specifies that the lump sum cash equivalent value of a pension will be payable on a Member's death it will be payable in accordance with Rule 8 (Application of Capital Sum) below.

At the discretion of the Trustees and with the approval of the Employer a Member may be included in the Scheme for a benefit or benefits other than that or those normally applicable to him under the Rules. The provision of such benefits will be subject to any special terms and restrictions by the Assurance Company.

Benefits will be payable on the death of a Member only if, and to the extent that, they are insured under the Policy and the proceeds of a claim under that Policy in respect of that death have been paid to, or on behalf of, the Trustees.

A Member may not assign or in any way charge any benefit which may become payable in respect of him under the Scheme. For the purposes of this paragraph Member shall include any person to or for the benefit of whom any benefit under the Scheme is or may become payable through or in respect of the Member.

The Trustees shall be under no duty to determine whether the amount of any lump sum benefit payable from the Scheme in respect of a member would or might exceed the lifetime allowance or the member’s personal lifetime allowance, as the case may be.

1. Benefit Limit

Where under the Policy the Assurance Company is entitled to require evidence of a Member's insurability or to require certain conditions to be satisfied before assuring the whole or a part of a Member's benefit, the benefit in respect of the Member under the Scheme shall be limited to the amount (if any) for which he has been accepted by the Assurance Company. The payment of benefit is subject to any evidence required by the Assurance Company of the age of the Member and (where the benefit is a pension) of the person to whom the pension is payable.

In order to be included in the Scheme for a pension benefit a Member must give the Trustees such details of the prospective beneficiaries as the Trustees may require and must notify the Trustees of any alteration in his circumstances which may at any time affect the benefits applicable to him under the Scheme.

If a pension benefit is payable to a Qualifying Dependant (other than the Member's Qualifying Child) in accordance with the Terms of Rule 7 (v) or 7 (vi) and the age of the Member at the date of his death exceeds by more than 10 years the age of the Qualifying Dependant at that date, the pension benefit shall be reduced by 21/2 per cent. for each complete year in excess of 10 years by which the Qualifying Dependant is younger than the Member.

1. Payment of Lump Sum Benefits

Potential Beneficiaries

The Trustees shall have power to pay or apply any lump sum benefit which becomes payable under the Scheme on the death of a Member aged less than 75 years as a Defined Benefits Lump Sum Death Benefit to or for the benefit of such one or more of:

1. the Member's Dependants;
2. his Relatives;
3. his personal representatives;
4. any persons (including any charities, societies or clubs) who or which are entitled to an interest in the Member's estate in accordance with his will

or

1. any persons (including any charities, societies or clubs) who or which have been named in writing by the Member to the Trustees for consideration as possible recipients of the benefit,

in such shares and in such manner as the Trustees shall in their sole discretion decide after the Member's death.

Time Limits

To such extent (if any) as the said benefit shall not have been paid or applied in accordance with the 'Potential Beneficiaries' section above within a period of 2 years from the earlier of:

1. the day on which the Trustees first knew of the Member's death, or
2. the day on which the Trustees could reasonably have been expected to know of the Member's death,

the benefit shall be paid to the Member's personal representatives provided that if the benefit would vest in the Crown, the Duchy of Lancaster or the Duke of Cornwall as bona vacantia, or in a creditor, the Trustees shall instead, pay the benefit to that one of the Employers by which the Member was employed immediately prior to his death.

Payment on behalf of a beneficiary

In the case of a beneficiary who is a minor, the benefit or any part thereof may be paid by the Trustees to any parent or other lawful guardian of such beneficiary or to any other individual whom the Trustees consider to be suitable and who undertakes to apply such payment for the benefit of such beneficiary. The receipt of any individual to whom payment is made as aforesaid will constitute a full discharge to the Trustees without the Trustees having to see to the application thereof.

Alternative trusts

The Trustee may exercise its power under this Rule 6 by transferring or paying the lump sum benefit (or any part of it) to trustees to hold on revocable or irrevocable trust (including discretionary trust) for any one or more of the member’s beneficiaries as it shall decide. The Trustees shall be empowered to appoint or remove a trustee or trustees to such trust as it shall decide and may provide for the payment of expenses to that appointee from the assets of the trust so established, and may deduct from the lump sum payment any expenses or costs incurred in the establishment of that trust.

1. Payment of Pension Benefits

In the event of the death of a Member in respect of whom a pension benefit is payable under the Scheme, such pension will be payable as a Dependants' Scheme Pension in accordance with the following provisions of this Rule 7:

1. The pension will be payable by monthly instalments in arrears, the first payment falling due one month after the date of the Member's death and paid in respect of that previous month. In special circumstances the frequency and date of first payment of pension may, at the discretion of the Trustees, be varied in such manner as the Trustees consider to be appropriate and equitable but such variation shall not cause the pension to be paid less frequently than once a year or to commence more than 3 months after the normal due date.
2. If the pension payable is a spouse's pension it will be payable to the Member's Spouse or Civil Partner (as determined by the Trustees in accordance with Rule 7 (vii) below) and will cease on the due date next preceding the death of the Spouse or Civil Partner.
3. If the pension payable is a spouse's and orphan's pension it will be payable until the due date next preceding the date on which there ceases to be either a Spouse, Civil Partner or a Qualifying Child.
4. If on the date of death of the Member there is a Spouse or Civil Partner the pension will be payable to the Spouse or Civil Partner (as determined by the Trustee in accordance with Rule 7 (vii) below) for the remainder of his/her lifetime and if there are any Qualifying Children on his/her death the pension will thereafter be applied by the Trustees for the benefit of such one or more of the Member's Qualifying Children in such manner and in such shares as the Trustees shall decide. If on the date of death of the Member there is no Spouse or Civil Partner the pension will be applied by the Trustees for the benefit of the Qualifying Child or Children as aforesaid.
5. If the pension payable is a children's pension it will be applied by the Trustees for the benefit of such one or more of the Member's Qualifying Children in such manner and in such shares as the Trustees shall decide, and will be payable until the due date next preceding the date on which there ceases to be a Qualifying Child.
6. If the pension payable is a dependant's pension it will be payable to the Member's Qualifying Dependant (if any) and will cease on the due date next preceding the Qualifying Dependant's death, provided that if the Qualifying Dependant is a Qualifying Child the pension will be payable until the due date next preceding the date on which he ceases to be a Qualifying Child, and will be applied by the Trustees for the benefit of such one or more of the Member's Qualifying Children in such manner and in such shares as the Trustees shall decide.
7. If the pension payable is a dependant's and orphan's pension it will be payable in accordance with provision (v) above, except that after the Qualifying Dependant dies (or otherwise ceases to be a Qualifying Dependant) it will continue for so long as there are any Qualifying Children. Any pension continuing as aforesaid will be applied by the Trustees for the benefit of such one or more of the Member's Qualifying Children in such manner and in such shares as the Trustees shall decide, and will be payable until the due date next preceding the date on which there ceases to be a Qualifying Child.
8. In the event of 2 or more persons claiming to be the Member's Spouse, Civil Partner, widow or widower the Trustees shall have absolute discretion to decide which one (if any) of such persons is the Member's beneficiary for the purposes of the Scheme.
9. Application of Capital Sum

In the event of the death of a Member in respect of whom a Capital Sum is applicable such benefit will be applied as follows:

1. That part of the Capital Sum which is to be paid as a lump sum benefit will be determined by the Trustees who will take account of the circumstances of the case. The amount payable as a lump sum will be applied in accordance with the terms of Rule 6 (*Payment of a Lump Sum Benefit*) as a Defined Benefits Lump Sum Death Benefit.
2. The remainder of the Capital Sum will be applied by the Trustees to secure a non-assignable and non-commutable pension or pensions payable as a Dependants' Scheme Pension in accordance with the terms of such one or more of the provisions (ii) to (vi) of Rule 7 (*Payment of Pension Benefit*s) as the Trustees shall determine, and subject always to provisions (i) and (vii) of that Rule.
3. Cessation of Membership

Membership of the Scheme shall cease automatically on the earlier of the following events:

1. the date the Member ceases to satisfy the eligibility conditions contained in the Policy;
2. the date on which the member ceases to be actively employed by an Employer for any reason, other than during a period of temporary leave of absence;
3. the date on which the Member reaches the end of the period allowed under the Policy for a period of temporary leave of absence, having not returned to active employment with an Employer;
4. on ceasing to work in the UK or any scheduled territories described in the Policy, unless otherwise agreed with the Trustees;
5. the end of the Member's employment contract with the Employer;
6. the date the Employer receives written notice from its employee under Rule 2 of their intention not to become, or to cease to be, a Member; or
7. such other cessation event agreed between the Trustees and the Assurance Company and contained in the Policy.

A Member who is on Family Leave will be treated as being in the continuing service of his Employer during such leave period, until his membership is otherwise terminated under this Rule.

1. Temporary Absence

A Member who is temporarily absent from Service shall continue to be included in the Scheme during such absence as though still in active employment, in accordance with the provisions of the Policy and as the Trustees with the approval of the Employer, may arrange with the Assurance Company.

A Member's benefit under the Scheme during a period of temporary absence shall be the amount for which he was included immediately before the commencement of absence, increased as and when necessary in accordance with the provisions of the Policy.

1. Cover for employees whose Employer is not resident in the United Kingdom

Notwithstanding the terms of Rule 2 *(Membership),* an employee whose Employer is not resident in the United Kingdom shall only be eligible for membership of the Scheme if his inclusion does not jeopardise the registered status of the Scheme.

An employee who is eligible for membership of the Scheme in accordance with the terms of this Rule shall, subject to the agreement of the Trustees, the Employer and the Assurance Company, be included as a Member when he meets the specified requirements.

In addition to the circumstances specified in Rule 9 *(Cessation of Membership)* an employee whose Employer is not resident in the United Kingdom shall cease to be a Member if his continued inclusion jeopardises the registered status of the Scheme, or on such earlier date as may be agreed between the Trustees, the Employer and the Assurance Company.

1. Taxation

The Trustees may deduct from any lump sum or pension instalment payment under the Scheme an amount equal to any tax, duty or other fiscal imposition for which the Trustees may be liable or jointly liable, to account to the Revenue in respect of that payment or the Member or a Member's beneficiary under the provisions of the Act or the Income Tax (Earnings and Pensions) Act 2003. The Trustees may, in the alternative, postpone the payment of that lumps sum or pension instalment until the liability has been met or other provision made for its discharge to the satisfaction of the Trustees.

The Trustees may enter into arrangements with the Assurance Company to pay to the Revenue any tax for which the Trustees would otherwise be liable (as Trustees or as statutory administrator), including any tax charges created by, or arising out of, the provisions of the Act or any other applicable legislation.

1. General Provisions

Notwithstanding anything to the contrary in the Rules, no Member, beneficiary or Participating Employer will be entitled to receive or benefit from an unauthorised payment as defined in Part 4 of the Finance Act.

The Trustees and the Employers will comply with the Information Requirements, and shall in any case take reasonable steps to preserve any documents in their possession or under their control in relation to the Scheme.

Nothing in the Rules will restrict the right of an Employer to terminate the Service of an Employee, regardless of whether that Employee is also a Member neither will the Death Benefit to which a Member might claim to be prospectively entitled be used as grounds for increasing damages in any action in respect of termination of Service brought by him against the Employer.

In the event of any difference arising as to the interpretation of the Deed or the Rules or as to the rights and obligations of any one or more of the Participating Employers, the Members or the Members' beneficiaries, the Trustees' determination will be conclusive and binding.

1. Discontinuance

On discontinuance of the Scheme in accordance with Clause 22 and 23 of the Deed, the Trustees shall make appropriate provision to meet any outstanding liabilities of the Scheme at the date of its discontinuance. Any assets then remaining shall be equitably distributed by the Trustees between the Employers, subject to the deduction of any amounts of tax due under Section 207 of the Act or any other provision in relation to such distribution and to accounting to the Revenue in respect of such amounts.