RULES OF THE
NORTHERN FOODS PENSION SCHEME

effective from 1 April 2009

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Northern Foods Pension Scheme

These Rules of the Northern Foods Pension Scheme were made as a deed on 30 March 2009 between the Company and Northern Foods Trustees Limited, and set out the Rules of the Scheme as they apply to Members who are not Senior Executive Members.

The Scheme started on 31 March 1951.

Modification of the Scheme

The Northern Foods Pension Scheme (the "**Scheme**") is governed by a main edition and a special edition of Rules made with effect from 1 January 2009. Rule 28 of each edition says that the Trustees may at any time and from time to time with the consent of the Company by deed modify all or any of the provisions of the Rules provided that no such modification shall be made if it would diminish any pension already being paid under the Scheme or the accrued rights or interests of any Member or other person in respect of benefits already provided under the Scheme save with the written consent of the Member concerned.

In exercise of their powers under Rule 28 (modifications to the Scheme) of the current Rules, the Company and the Trustees modify the current Rules in so far as they apply to Members who are not Senior Executive Members by replacing them with these Rules with effect from 1 April 2009. However, these Rules do not affect the benefits for Members who left Service or reached Normal Pension Date before 1 April 2009 except as described in Rule 16.2 (Members who left Service or reached Normal Pension Date before 1 April 2009).

It is not intended that these Rules should adversely affect any subsisting right of any Member or any survivor of a Member at the date of this deed. These Rules shall therefore have effect only insofar as they are consistent with this intention. Any benefit payable to or in respect of a Member under the Scheme will therefore be at least equal to the amount that would have been payable if the Member had left Service on the date of this deed. For this purpose, "**subsisting right**" means the same as in Sections 67A to 67I of the Pensions Act 1995 (the subsisting rights provisions).

1 Meaning of words used

"**Beneficiaries**" has the meaning given to it in Rule 7.6 (payment of lump sum death benefits).

"**Category A Member**" has the meaning given in Rule 2.2.

"**Category B Member**" has the meaning given in Rule 2.2.

"**Company**" means Northern Foods plc.

"**Contracting-out Laws**" means the laws on contracting-out in Part III of the Pension Schemes Act 1993.

"**Dependant**" means any person who is financially dependent on the Member or other person concerned, or was so dependent at the time of that person's death. This includes anyone who shares living expenses with, or receives financial support from, the Member or other person and whose standard of living would be affected by the loss of that person's contribution or support. The Trustees' decision as to whether a person is another person's Dependant will be final.

"**Employee**" means any employee or director of an Employer (except a non-executive director).

"**Employer**" means an employer participating in the Scheme.

"**Final Pensionable Earnings**" means the highest average of Pensionable Earnings in any 3 consecutive years in the last 10 years before the Member retires, leaves Service or dies, whichever occurs first.

But if a Member retires or leaves Service before Normal Pension Date and there is one 1 April between the leaving date and Normal Pension Date, Final Pensionable Earnings is the average of twice the Member's Pensionable Earnings at the relevant date and the previous year's Pensionable Earnings if greater.

If 2 or more 1 Aprils fall between a Member retiring or leaving Service and Normal Pension Date, Final Pensionable Earnings will be the Member's Pensionable Earnings at the date of leaving Service if greater.

If the Member was not in Pensionable Service for 3 whole years the Trustees will calculate Final Pensionable Earnings in a manner which they consider equitable and which is consistent with the Contracting-out Laws and Preservation Laws.

"**GMP**" means a guaranteed minimum pension (or accrued right to one) under the Contracting-out Laws.

"**Incapacity**" means physical or mental incapacity which prevents a Member from following his or her normal occupation or any other occupation which an Employer and the Trustees consider appropriate or seriously impairs his or her earning capacity. Before deciding whether a Member is suffering from Incapacity the Trustees must obtain evidence from a registered medical practitioner that the Member is (and will continue to be) incapable of carrying on his or her occupation. The Trustees' decision as to whether a Member is suffering from Incapacity will then be final.

"**Member**" means a person who has joined the Scheme.

"**Normal Pension Date**" means the last day of the month before the month in which a Member reaches age 65.

"**Pensionable Earnings**" means the higher of:

(a) the yearly rate of the Member's basic salary from the Employers at 1 April each year; and

(b) the Member's gross earnings from the Employers for the tax year ending on the following 5 April but excluding any amounts that an Employer notifies the Member are not pensionable. If the Member was not in Pensionable Service for the whole tax year, gross earnings in that period will be scaled up appropriately.

Note: Special provisions apply to a Member who participates in a pay exchange arrangement or childcare voucher scheme. See Rule 16.6 (Members who participate in a "pay exchange arrangement" or "childcare voucher scheme").

"**Pensionable Service**" means the Member's Service after joining the Scheme.

"**Preservation Laws**" means the laws on preservation of benefit in Chapter I of Part IV of the Pension Schemes Act 1993.

"**Revaluation Laws**" means the laws on revaluation of accrued benefits in Chapter II of Part IV of the Pension Schemes Act 1993.

"**Scheme**" means the Northern Foods Pension Scheme formerly called the Northern Foods Superannuation Fund.

"**Scheme Year**" means a calendar year ending on 31 March.

"**Service**" means employment with an Employer.

"**Transfer Value Laws**" means the laws on transfer values in Chapter IV of Part IV of the Pension Schemes Act 1993.

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

2 Membership of the Scheme

2.1 Joining the Scheme

An Employee cannot join the Scheme on or after 1 May 2005 unless the Company invites him or her to do so. In the invitation, the Company will also specify the date from which the Employee is eligible to join the Scheme.

Applications to join the Scheme must be in such form and include such documentation as required by the Trustees.

2.2 Choosing benefit scale

Changes effective on 1 August 2002

Each Member in Service on 31 July 2002 was required to choose whether to accrue benefits on a 1/60 basis as a "Category A Member" or a 1/80 basis as a "Category B Member" for the period commencing on 1 August 2002. Rule 14 (ceasing to be eligible) explains the position where Members failed to make a choice with effect from 1 August 2002.

Further changes effective on 1 April 2009

Each Member in Service on 31 March 2009 was required to choose whether to accrue benefits on a 1/60 basis as a "Category A Member" or a 1/80 basis as a "Category B Member" for the period commencing on 1 April 2009. Rule 14 (ceasing to be eligible) describes the position for Members who failed to make a choice with effect from 1 April 2009.

Switching categories of membership

A Member may switch between Category A and Category B by giving the Trustees 1 month's notice in writing in such form as is required by the Trustees. Any change of Category will take place on the first day of the month which commences following the expiry of the Member's notice.

Note: Special provisions apply to a Member who participates in a pay exchange arrangement. See Rule 16.6 (Members who participate in a "pay exchange arrangement" or "childcare voucher scheme").

Categories of membership

A Member is a Category A Member during any period for which he or she has validly elected to accrue benefits on a 1/60 basis.

A Member is a Category B Member during any period for which he or she has validly elected to accrue benefits on a 1/80 basis.

2.3 Employees who do not join the Scheme at the first opportunity

An Employee who does not join at the first opportunity may be required to attend a medical examination before the Company and the Trustees decide whether or not the Employee may join the Scheme. The Trustees may admit an Employee who has undergone a medical examination on special terms as to benefits.

2.4 Employees included in the Scheme for death-in-service benefits only

The Company may from time to time direct the Trustees to include Employees (who are not entitled to become Members) in the Scheme for the purposes of lump sum death-in-service benefits only. The Company will notify the Trustees of the amount of any death-in-service benefit in respect of such Employees.

If such an Employee dies in Service, the benefit will be paid as if the Employee was a Member, but the Employee will not otherwise be treated as a Member.

The Company may at any time notify the Trustees that benefits under this Rule 2.4 will cease with effect from a specified date in respect of any Employee.

3 Contributions by Employers and Members

3.1 Contributions by Employers

Each Employer must contribute to the Scheme in respect of Members at such rate as the Company has agreed with the Trustees after considering actuarial advice. The contributions must be sufficient to ensure that when taken together with the Scheme assets and expected future contributions the Scheme remains solvent.

If the Trustees are required by Section 227 of the Pensions Act 2004 (schedule of contributions) or any legislation replacing these provisions to prepare a schedule of contributions, the Employers must contribute to the Scheme in accordance with that schedule.

3.2 Contributions by Members

Each Category A Member in Service must contribute at the rate of 10% of Pensionable Earnings to the Scheme.

Each Category B Member in Service must contribute at the rate of 7% of Pensionable Earnings to the Scheme.

The Trustees will tell each Member whether contributions will be deducted weekly or monthly.

The Employer will deduct these contributions from the Member's earnings and pay them to the Trustees.

Notes:

(i) Prior to 1 April 2009:

  (a) Category A Members were required to contribute at the rate of 7% of Pensionable Earnings; and

  (b) Category B Members were required to contribute at the rate of 5% of Pensionable Earnings.

(ii) Members who participate in a pay exchange arrangement are not required to contribute to the Scheme. See Rule 16.6 (Members who participate in a "pay exchange arrangement" or "childcare voucher scheme").

4 Additional voluntary contributions by Members

The Trustees may (but need not) allow a Member in Service to pay additional voluntary contributions ("**AVCs**") to the Scheme. If the Trustees allow a Member to pay AVCs, they may impose any conditions they think reasonable (including as to amounts that can be paid, the time at which payments can be paid, and the method of payment).

Each Member's AVCs will be used to provide insured or money purchase benefits for, or in respect of, the Member. These benefits will be additional to the other benefits described in these Rules. The Member and the Trustees will agree the form of these benefits, or the Trustees will decide their form if they cannot be agreed and can include a lump sum provided that the total lump sum, when aggregated with any lump sum under Rule 6 (retirement lump sum) does not exceed the maximum "pension commencement lump sum" permitted for the purposes of Part 4 of the Finance Act 2004. However, unless the Trustees and the Company agree otherwise, any pension must be secured with an annuity contract (and the Member must be given an opportunity to select the insurance company).

5 Pensions for Members

5.1 Normal Pension Date

A Member who leaves Service at Normal Pension Date will receive a pension for life at a yearly rate of:

5.1.1 1/60th of Final Pensionable Earnings for each complete year of Pensionable Service as a Category A Member, plus an additional 1/720th for each additional complete month as a Category A Member; and

5.1.2 1/80th of Final Pensionable Earnings for each complete year of Pensionable Service as a Category B Member, plus an additional 1/960th for each additional complete month as a Category B Member.

5.2 Late retirement

A Member who stays in Service after Normal Pension Date will receive a pension when he or she leaves Service. The pension will be calculated as described in Rule 5.1 (Normal Pension Date) based on all the Member's Pensionable Service up to leaving.

A Member who is still in Service when he or she reaches age 75 will be treated for all the purposes of the Scheme as having left Service on reaching that age.

Note: If a Member opts out of the Scheme on or after Normal Pension Date and before leaving Service, Rule 15 (opting out) will apply. The Member's pension will be increased for the period between opting out and the date it starts on a basis decided by the Trustees after considering actuarial advice.

5.3 Early retirement (not Incapacity)

A Member who leaves Service (not for Incapacity) before Normal Pension Date but after reaching age 55 (50 if the Member leaves Service before 6 April 2010) may, with the consent of the Company and the Trustees, choose an immediate pension. The pension will be calculated as described in Rule 5.1 (Normal Pension Date), but will then be reduced for early payment on a basis determined by the Trustees after considering actuarial advice.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early under this Rule 5.3 are at least equal in value to the benefits to which the Member would otherwise have become entitled on leaving Service (see Rule 9.1 (preserved pension)).

If the Member leaves Service because of Incapacity, this Rule 5.3 does not apply. Rule 5.4 (early retirement through Incapacity) applies instead.

5.4 Early retirement through Incapacity

Entitlement to pension

A Member who leaves Service before Normal Pension Date because of Incapacity may choose an immediate pension with the consent of the Company and the Trustees.

Calculation of pension

If the Trustees decide that the Member cannot work again in any capacity the pension will be calculated as described in Rule 5.1 (Normal Pension Date) but as if Pensionable Service included the period up to Normal Pension Date.

If the Trustees decide that a Member's earning capacity is seriously impaired, or that he or she cannot work in his or her own job, the pension will be calculated as described in Rule 5.1 (Normal Pension Date) but disregarding any reduction for early payment.

Value of benefits

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early under this Rule 5.4 are at least equal in value to the benefits to which the Member would otherwise have become entitled on leaving Service.

Review of pension

Until Normal Pension Date, the Trustees may from time to time require evidence of the Member's continued Incapacity and, if not satisfied, may suspend the pension for any period or periods before Normal Pension Date or reduce it to not less than would have been paid if Rule 5.3 (early retirement (not Incapacity)) had applied (but reduced on the advice of an actuary if the Member has given up pension for a lump sum or Dependant's pension, and disregarding the usual age limit in that Rule). Any pensions payable on the Member's death will be adjusted appropriately on the advice of an actuary.

Once the Trustees have decided which level of benefits will be provided under this sub-Rule 5.4, their decision will not be subject to later review if the Member's circumstances deteriorate.

6 Retirement lump sum

If the Trustees allow, a Member may give up pension for a lump sum payable when the pension is due to start but must keep a pension at least equal to his or her GMP. If the Member's pension is big enough, the Member can choose a lump sum of any amount up to the maximum permitted as a "pension commencement lump sum" under Part 4 of the Finance Act 2004 (taking account of any lump sum from the Member's AVCs (as defined in Rule 4 (additional voluntary contributions by Members))). The Trustees will convert pension to lump sum on a basis determined by the Trustees after considering actuarial advice.

7 Lump sum payable on Member's death

7.1 Lump sum death benefit

A lump sum death benefit will be paid if a Member dies:

7.1.1 in Service before Normal Pension Date;

7.1.2 on or after Normal Pension Date but before pension starts; or

7.1.3 with a preserved pension that has not started.

The benefit will be calculated as described in Rule 7.2, 7.3, 7.4 or 7.5 (as appropriate) and paid as described in Rule 7.6 (payment of lump sum death benefits). However, no lump sum will be paid if there are no surviving Beneficiaries when the Member dies or if the Member dies after reaching age 75.

7.2 Member dies in Service

If the Member dies in Service, the benefit will be equal to:

7.2.1 the total contributions paid by the Member; plus

7.2.2 4 times the Member's Pensionable Earnings.

7.3 Member dies after leaving Service and on or after Normal Pension Date but before pension starts

If the Member dies after leaving Service and on or after Normal Pension Date but before the pension starts, the benefit will be equal to:

7.3.1 the maximum lump sum that the Member could have chosen under Rule 6 (retirement lump sum); and

7.3.2 5 years' payment of the pension (disregarding increases) that would have remained payable, if the Member had retired immediately before his or her death and lived for 5 years after retirement.

7.4 Member dies in the 5 years after pension starts

If the Member dies within 5 years after starting to receive a pension, the benefit will be equal to the pension payments which would have been made during the remainder of the 5-year period if the Member had not died (but disregarding any future increases). However, the lump sum will be reduced by the amount of any spouse's, civil partner's or dependant's pension payable under Rule 8 (pensions on the Member's death) for the remainder of the 5-year period (disregarding increases).

7.5 Member with preserved pension dies before Normal Pension Date

If the Member dies with a preserved pension before Normal Pension Date and before the pension starts, the benefit will be equal to the total contributions paid by the Member.

7.6 Payment of lump sum death benefits

The lump sum death benefit payable under Rules 7.2, 7.3 and 7.4 will be paid to one or more of the Beneficiaries or used for their benefit in such shares as the Trustees decide. The benefit must be paid within 2 years of the Member's death or such longer period as is consistent with the payment being an "authorised member payment" for the purposes of Part 4 of the Finance Act 2004.

"**Beneficiaries**" means:

(a) the Member's widow or widower or surviving civil partner;

(b) the Member's grandparents and their descendants and the spouses, widows or widowers or civil partners or surviving civil partners of those descendants;

(c) the Member's Dependants;

(d) any person (except the Crown or the Duchy of Lancaster or Cornwall) with an interest in the Member's estate; and

(e) any person nominated by the Member in writing to the Trustees.

So long as no-one other than Beneficiaries can become entitled, the Trustees may:

7.6.1 direct that all or part of the lump sum will be held by themselves or other trustees on such trusts (including discretionary trusts) and with such powers and provisions (including powers of selection and variation) as the Trustees see fit; or

7.6.2 pay all or part of the lump sum to the trustees of any other existing trust.

No payment will be made under this Rule to the Crown or to the Duchy of Lancaster or Cornwall. If payment of the whole or any part of the lump sum death benefit would result in the payments falling to the Crown or to the Duchy of Lancaster or Cornwall as bona vacantia, the benefit, or that part of the benefit, will be retained by the Trustees in the Scheme.

The lump sum death benefit payable under Rule 7.5 (Member with preserved pension dies before Normal Pension Date) will be paid to the Member's estate.

8 Pensions on the Member's death

8.1 Pension for spouse or civil partner

If a Member dies leaving a surviving spouse or civil partner, the spouse or civil partner will receive a pension for life. The pension will normally be calculated as described in Rule 8.4, 8.5, 8.6 or 8.7 (as appropriate) and will then be reduced if Rule 8.8 (young spouse or civil partner) applies.

However, if the spouse or civil partner was not living with or dependent upon the Member at the date of the Member's death, the Trustees may reduce the pension to an amount not less than the limited pension (if any) described in the Appendix that the Scheme is required to provide for the spouse or civil partner under the Contracting-out Laws.

If the Trustees decide to pay a reduced pension to the spouse or civil partner, they may (but need not) pay the balance of the spouse's or civil partner's pension to one or more of the Member's Dependants.

If there is no surviving spouse or civil partner, the Trustees may (but need not) treat a person of either sex whom they consider had a relationship with the Member closely resembling marriage or civil partnership as the Member's surviving spouse or civil partner for all the purposes of this Rule 8.1.

If there is more than one surviving spouse or civil partner, the pension will be paid to one or more of them in such shares as the Trustees decide.

8.2 Children's pension

If a Member dies leaving Pensionable Children, a children's pension will be paid, except on the death before Normal Pension Date of a Member with a preserved pension which has not started. The pension will be calculated as described in Rule 8.4, 8.5 or 8.6 (as appropriate) according to the number of Pensionable Children.

"**Pensionable Children**" are children of the Member; the Member's stepchildren or children of the Member's civil partner, provided in either case that they were dependent on the Member when the Member died; children legally adopted by the Member; and any other children who, in the Trustees' opinion, were dependent on the Member at the time of his or her death and whom the Trustees agree to treat as Pensionable Children.

These children remain Pensionable Children for so long as they are under age 18, or under age 23 and in full-time education or training approved by the Trustees. If any of these children was dependent on the Member because of disability the Trustees may continue to treat the child as a Pensionable Child for so long as they are satisfied that the child is suffering from the disability.

Each child's pension may be paid to him or her or paid to some person or persons or fixed or discretionary trust for the child's benefit. It will stop when there is no remaining Pensionable Child.

8.3 Other Dependant's pension

If a Member dies and no pension is payable to a spouse or civil partner, the Trustees may (but need not) pay a pension to one or more of the Member's Dependants. This pension may be calculated as a pension for a spouse or civil partner. But the Trustees may pay a pension of a smaller amount and reduce or stop any pension in payment as they see fit.

8.4 Member dies in Service before Normal Pension Date

Subject to Rule 8.8 (young spouse or civil partner), the pension for a spouse or civil partner will be ½ of the pension the Member would have received if he or she had stayed in Pensionable Service until Normal Pension Date, based on Pensionable Earnings at the date of the Member's death or Final Pensionable Earnings if greater.

The children's pension will be ¼ of a pension for a spouse or civil partner, multiplied by the number of Pensionable Children up to a maximum of 4. If there are more than 4 Pensionable Children the children's pension will be equal to the pension for a spouse or civil partner and will be divided equally between the number of Pensionable Children.

8.5 Member dies after pension starts

Subject to Rule 8.8 (young spouse or civil partner), the pension for a spouse or civil partner will be ½ of the pension payable to the Member at his or her death, or which would have been payable if the Member had not given up any pension for a lump sum.

However, if the marriage took place or the civil partnership was entered into after the Member started to receive a pension and within 6 months of the Member's death, the Trustees may (but need not) limit the pension for the spouse or civil partner to the limited pension described in the Appendix. This reduction in the pension for the spouse or civil partner will not affect the amount of any children's pension.

The children's pension will be ¼ of a pension for a spouse or civil partner as described above, multiplied by the number of Pensionable Children up to a maximum of 4. If there are more than 4 Pensionable Children the children's pension will be equal to the pension for a spouse or civil partner and will be divided equally between the number of Pensionable Children.

8.6 Member dies on or after Normal Pension Date and before pension starts

Subject to Rule 8.8 (young spouse or civil partner), the spouse's pension will be ½ of the pension the Member would have received if he or she had retired immediately before his or her death without giving up any pension for a lump sum.

However, if the marriage took place or the civil partnership was entered into after the Member reached Normal Pension Date and within 6 months of the Member's death, the Trustees may (but need not) limit the pension for a spouse or civil partner to the limited pension described in the Appendix. This reduction in the pension for a spouse or civil partner will not affect the amount of any children's pension.

The children's pension will be ¼ of a pension for a spouse or civil partner as described above, multiplied by the number of Pensionable Children up to a maximum of 4. If there are more than 4 Pensionable Children the children's pension will be equal to the pension for a spouse or civil partner and will be divided equally between the number of Pensionable Children.

8.7 Member with preserved pension

Subject to Rule 8.8 (young spouse or civil partner), if the Member dies before Normal Pension Date and before the pension starts, the pension for a spouse or civil partner will be ½ of the preserved pension calculated as described in Rule 9 (early leavers) including increases as if the Revaluation Laws applied to the period between the Member's leaving Service and the Member's death.

However, if the marriage took place or the civil partnership was entered into after the Member left Service and within 6 months of the Member's death, the Trustees may (but need not) limit the pension for a spouse or civil partner to the limited pension described in the Appendix.

8.8 Young spouse or young civil partner

If the spouse or civil partner was more than 10 years younger than the Member, then the Trustees after considering actuarial advice may reduce the pension for a spouse or civil partner by up to $2^1/_2$ % for each year of age difference greater than 10. But it will not be reduced to less than the GMP for a spouse or civil partner. This Rule does not affect the amount of any pension payable to a Pensionable Child under this Rule 8.

9 Early leavers

9.1 Preserved pension

A Member who leaves Service before Normal Pension Date with at least 2 years' Qualifying Service (see Rule 9.2 (Qualifying Service)) will receive a pension for life from Normal Pension Date of an amount calculated as described in Rule 5.1 (Normal Pension Date).

The pension will be increased before payment as follows:

9.1.1 the pension in excess of GMP will be increased by:

(i) in the case of pension attributable to Pensionable Service before 1 April 2004, the greater of 3% per year and the percentage required by the Revaluation Laws;

(ii) in the case of pension attributable to Pensionable Service on or after 1 April 2004 but before 6 April 2009, the percentage required by the Revaluation Laws;

(iii) in the case of pension attributable to Pensionable Service on or after 6 April 2009 but before 1 May 2009, the percentage that would have been required by the Revaluation Laws if that part of the pension had been attributable to Pensionable Service before 6 April 2009; and

(iv) in the case of pension attributable to Pensionable Service on or after 1 May 2009, the percentage required by the Revaluation Laws.

9.1.2 the GMP will be increased as required by the Contracting-out Laws.

A Member who leaves Service with less than 2 years' Qualifying Service will also receive a pension under this Rule 9.1 if a transfer payment in respect of his or her rights under a personal pension scheme has been made to the Scheme.

Note: At the date of these Rules, the Revaluation Laws require the Scheme to provide increases broadly in line with the rise in the cost of living for complete years (ending on a 31 December) between the Member's leaving Service and Normal Retirement Date. However, these increases are limited to a maximum of 5% a year compound for pension that is attributable to Pensionable Service before 6 April 2009 and 2.5% a year compound for pension that is attributable to Pensionable Service on and after 6 April 2009.

9.2 Qualifying Service

"**Qualifying Service**" means Pensionable Service and employment which qualified the Member for retirement benefit under any occupational pension scheme from which a transfer payment has been made in respect of the Member either to the Scheme, or to a "buy-out" policy and subsequently to the Scheme.

Rule 12.2 (Qualifying Service) will apply if the Member's Qualifying Service has been broken.

"**Qualifying Service**" is used only for the purpose of deciding whether the Member is entitled to a preserved pension under Rule 9.1 (preserved pension). Where the Member is entitled to a preserved pension, the amount of the pension is based on Pensionable Service. This Rule 9.2 does not affect the calculation of Pensionable Service.

Note: As at the date of these Rules, all Members of the Scheme have completed at least 2 years' Qualifying Service.

10 Right to transfer

A Member who leaves Service with a preserved pension at least a year before Normal Pension Date can require the Trustees to use the cash equivalent of his or her benefits (including death benefits) to buy 1 or more annuities, or to acquire rights under another occupational pension scheme or a personal pension scheme, in accordance with the Transfer Value Laws.

11 Other choices for early leavers

11.1 Early pension

If the Company and Trustees consent, a Member entitled to a preserved pension may choose to start receiving that pension before Normal Pension Date, in which case it will be reduced on a basis determined by the Trustees after considering actuarial advice. However, a Member entitled to a preserved pension may not choose a pension starting earlier than age 55 (50 if the pension starts before 6 April 2010), unless the Member is suffering from Incapacity (in which case Rule 11.2 applies).

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

11.2 Early pension through Incapacity

A Member entitled to a preserved pension may choose to start receiving his or her pension before Normal Pension Date if the Member is suffering from Incapacity and the Trustees decide that the Member cannot work again in any capacity. If the Member is entitled to a pension under this Rule 11.2, it will not be reduced for early payment.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

11.3 Late pension

If the Trustees agree, a Member entitled to a preserved pension may choose to start receiving that pension after Normal Pension Date (but not after the date the Member leaves all employment and not in any event after age 75), in which case it will be increased on a basis determined by the Trustees after considering actuarial advice and which is consistent with the Contracting-out Laws.

The Trustees must be reasonably satisfied that the benefits (including death benefits) are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

11.4 Choices at retirement

A Member entitled to a preserved pension may choose to give up pension for a lump sum (as described in Rule 6 (retirement lump sum)).

12 Early leavers rejoining

12.1 Periods of Service treated separately

If a Member leaves Service and later returns, the Member will not be treated as in Service for the purposes of the Scheme unless he or she rejoins the Scheme. If the Member rejoins the Scheme, each period of Service will be treated separately, unless the Company and the Trustees agree otherwise. If the break in Service is for family leave, however, Rule 13.2 (family leave) will apply.

12.2 Qualifying Service

If a Member leaves Service, returns and rejoins the Scheme and then leaves again before Normal Pension Date, and the period between leaving Service and rejoining the Scheme did not exceed 1 month or was due to a trade dispute, the Member's Service before and after the break will be treated as continuous (but excluding the break) for the purpose of calculating whether the Member has at least 2 years' Qualifying Service after the break.

If a Member leaves Service with a preserved pension, returns and rejoins the Scheme and then leaves again before Normal Pension Date, and is still entitled to benefits under the Scheme in respect of the period before the break, the Member will be entitled to a preserved pension in respect of his or her Pensionable Service after the break whether or not he or she has 2 years' Qualifying Service after the break.

13 Members away from work

13.1 General rule

Members who are away from work will normally be treated as having left Service if they stop receiving contractual pay from the Employers. The Company and the Trustees may, however, agree to treat any Member who is away from work or on secondment as still in Service for so long as they think fit.

The Company and the Trustees may agree special terms (consistent with the Contracting-out Laws) to apply to any Member's contributions and benefits for any period during which the Member is away from work. Any agreed special terms will be notified to the Member.

13.2 Family leave

In this Rule 13.2, the terms in bold mean the same as in the Employment Rights Act 1996.

Statutory family leave

A Member will be treated as still in Service during any period of "**ordinary maternity leave**", "**ordinary adoption leave**" or "**paternity leave**".

Members who receive pay from their Employer for these periods must pay contributions on the pay received unless those Members participate in a pay exchange arrangement under Rule 16.6 (Members who participate in a "pay exchange arrangement" or "childcare voucher scheme"). Members who receive no pay do not have to pay contributions. The Member's benefits for these periods will, in any event, be calculated as if the Member had worked normally and received the normal pay for doing so.

Additional paid family leave

Members will also be treated as still in Service during any other period for which they receive pay from their Employer and which, for the purposes of Schedule 5 to the Social Security Act 1989 (equal treatment for men and women), is a period of maternity leave, adoption leave, paternity leave, or absence from work for other family reasons.

In each case, the Member must pay contributions on the pay received unless he or she participates in a pay exchange arrangement under Rule 16.6 (Members who participate in a "pay exchange arrangement" or "childcare voucher scheme").

In the case of paid maternity, paternity and adoption leave, the Member's benefits will be calculated as if he or she had worked normally and received the normal pay for doing so.

In the case of any other period of paid family leave, the Member's benefits will be based on the pay received, unless the Company and the Trustees agree other terms that are no less favourable to the Member.

Additional unpaid family leave

The Company and the Trustees may agree to treat a Member as still in Service, for some or all purposes of the Scheme, during any period of unpaid "**additional maternity leave**", "**additional adoption leave**" or "**parental leave**". If this is agreed, the Company and the Trustees will also agree terms as to the Member's contributions (if any) and benefits for the period.

If a Member is not treated as still in Service during any period of unpaid leave, the Member will be treated as having left Service except that:

13.2.1 if the Member dies during a period of unpaid family leave, benefits will always be paid under Rules 7 (lump sum payable on Member's death) and 8 (pensions on the Member's death) as if the Member had died in Service, except that the lump sum and pension will be calculated as the Company decides and notifies to the Trustees; and

13.2.2 if the Member returns to work at the end of the period, the Member's Pensionable Service before being treated as having left Service and after returning to work will be treated as continuous (but excluding the break).

14 Ceasing to be eligible

A Member will cease to be eligible if:

14.1.1 his or her contract of service is varied so that he or she is no longer eligible for membership of the Scheme;

14.1.2 he or she did not consent on or before 31 July 2002 to increase his or her contributions to the Scheme with effect from 1 August 2002 as set out in the announcement to Members dated 10 June 2002;

14.1.3 in the case of a Member who is a Category A Member on 31 March 2009, he or she did not consent as set out in the announcement dated 9 March 2009 either to increase his or her contributions to the Scheme or to become a Category B Member, in each case with effect from 1 April 2009;

14.1.4 in the case of a Member who is a Category B Member on 31 March 2009, he or she did not consent as set out in the announcement dated 9 March 2009 to increase his or her contributions to the Scheme with effect from 1 April 2009; or

14.1.5 the Member becomes a "**qualifying person**" for the purposes of The Occupational Pension Schemes (Cross-border Activities) Regulations 2005 and, if the Trustees were to accept contributions in respect of the Member, they would be in breach of Section 287 of the Pensions Act 2004 (occupational pension scheme receiving contributions from European employer).

The Member will be treated as if he or she had left Service:

(i) on the day he or she ceased to be eligible, in the case of a Member who falls within Rule 14.1.1 or 14.1.5;

(ii) on 31 July 2002, in the case of a Member who falls within Rule 14.1.2; and

(iii) on 31 March 2009, in the case of a Member who falls within Rule 14.1.3 or 14.1.4.

However, a Member with a preserved pension cannot choose an early pension under Rule 11.1 (early pension) before actually leaving Service unless the Company and the Trustees agree.

15 Opting out

A Member may at any time opt out of the Scheme by giving one month's written notice to the Employer and the Trustees. The Member will be treated as if he or she had left Service one month after the Trustees receive the Member's notice except that no pension or lump sum will be paid to the Member until the Member actually leaves Service (or reaches age 75, if earlier) unless the Company and the Trustees agree.

If the Member's pension starts after Normal Pension Date, it will be increased on a basis determined by the Trustees after considering actuarial advice.

A Member who opts out of the Scheme may rejoin only with the specific permission of the Company and Trustees and subject to any restrictions which they impose. If the Member is allowed to rejoin the Scheme within 3 months of opting out his or her Pensionable Service will be treated as continuous (excluding the break).

16 Special provisions for certain Members

16.1 Part-time employment

It may be that, during the same period of continuous Pensionable Service, a Member has been in full-time employment and part-time employment, or the basic number of hours a week worked by a Member in part-time employment has varied from time to time. If this happens, the benefits relating to part-time employment will be notified to the Member. The Trustees will calculate these benefits in a manner which they consider appropriate after taking account of the number of hours per week worked by the Member from time to time, and after considering actuarial advice.

16.2 Members who left Service or reached Normal Pension Date before 1 April 2009

The benefits for Members who left Service or reached Normal Pension Date before 1 April 2009 (and the benefits payable on their deaths) will be as described in the Rules in force previously from time to time and any letters or memorandums issued to them which describe how any periods of pensionable service are to be treated except that:

16.2.1 Rule 18.4 (tax status of the Scheme) will apply so that, if the Trustees would otherwise be required to make a payment that would be "unauthorised" by virtue of Section 160 of the Finance Act 2004, the payment will be treated as discretionary and will not be made unless the Trustees and the Company agree otherwise (which they need not do).

16.2.2 The Rules which provide for payment of a pension to a civil partner or a child of the Member's civil partner will apply on the death of any Member on or after 1 December 2005 (but the amount of the pension will be calculated in accordance with the provisions of the Scheme in force when the Member left Service).

16.2.3 The provisions introduced into the Rules consequential on the Employment Equality (Age) Regulations 2006 apply to and in respect of any Member in Service on 1 December 2006.

The benefits will, however, be paid as described in these Rules, and Rules 7.6 (payment of lump sum death benefits) and 17 to 29 of these Rules will apply in place of any corresponding provisions of the previous Rules.

16.3 Members who joined the Scheme before 1 June 1989

Members who joined the Scheme before 1 June 1989 and who stay in Service after Normal Pension Date may choose a pension under Rule 5.2 (late retirement) at any time from Normal Pension Date up to leaving Service.

The Company may require the Trustees to treat a Member who joined the Scheme on or after 1 June 1989 as if he or she had joined before that date.

A Member who joined the Scheme before 1 June 1989 may elect to be treated as if he or she had joined on or after that date.

16.4 Members with Pensionable Service before 31 March 1978 or where benefits have been granted in respect of group transfers-in

Where a Member has accrued Pensionable Service before 31 March 1978 or has accrued rights transferred on a group basis from another scheme (together the "**Relevant**

Service"), the Member will be granted benefits in the Scheme in respect of Relevant Service on the terms set out by or on behalf of the Trustees in a letter issued to him or her.

16.5 Special editions

A special edition of these Rules sets out different contributions payable by and on behalf of, and different benefits payable to, a Member who the Company has designated as a "Senior Executive Member".

16.6 Members who participate in a "pay exchange arrangement" or "childcare voucher scheme"

Members who participate in an arrangement which the Employer designates as a "pay exchange arrangement" accept a reduction in their pay in return for non-contributory membership of the Scheme. The reduction in each Member's pay is equal to the contributions that the Member would otherwise be required to pay under Rule 3.2 (contributions by Members).

Members who participate in a scheme which the Employer designates as a "childcare voucher scheme" accept a reduction in their pay in return for childcare vouchers. The reduction in each Member's pay will be as determined by the Employer and notified to the Member.

For any period during which a Member participates in a pay exchange arrangement or, where referred to below, a childcare voucher scheme, the following modifications to these Rules apply:

16.6.1 the Member's category of membership for the purposes of Rule 2.2 is determined by the amount of the reduction in the Member's pay under the pay exchange arrangement;

16.6.2 if the Member switches categories of membership, this may affect whether or not he or she continues to participate in the pay exchange arrangement or childcare voucher scheme, in accordance with the terms of that arrangement or scheme;

16.6.3 Members who participate in a pay exchange arrangement are not required to pay any contributions to the Scheme under Rule 3.2 (contributions by Members) or for the purposes of Rule 13 (Members away from work);

16.6.4 to ensure that a Member's benefits are not affected:

(i) "**Pensionable Earnings**" and "**qualifying earnings**" at any date and for any period while a Member participates in a pay exchange arrangement or a childcare voucher scheme, will include the amount by which the Member's pay is reduced under the pay exchange arrangement or childcare voucher scheme; and

(ii) for the purposes of Rules 7.2 (Member dies in Service) and 7.5 (Member with preserved pension dies before Normal Pension Date), "**total contributions**" at any time and for any period while a Member participates in a pay exchange arrangement will include the amount by which the Member's pay is reduced under the pay exchange arrangement.

The Company may notify the Trustees and affected Members at any time that the pay exchange arrangement or childcare voucher scheme will operate on a different basis from a specified date (which cannot be earlier than the date of such notification).

17 General rules about pensions

17.1 Payment of pensions

Pensions are payable monthly in arrears except that the Trustees may pay small pensions less frequently. Pensions will be payable in sterling.

17.2 Pension increases

17.2.1 Dates of increases

Pensions will increase on 1 April each year. The interval between increases will not exceed 12 months.

17.2.2 Rates of increases

The part of each pension in payment that is attributable to Pensionable Service on and after 1 September 2005 will increase in each year by the increase in the Retail Prices Index for the 12 months to the January immediately preceding the date of increase up to a maximum of 3%.

The part of each pension in payment that is attributable to Pensionable Service on and after 1 April 1997 and before 1 September 2005 will increase in each year by the increase in the Retail Prices Index for the 12 months to the January immediately preceding the date of increase up to a maximum of 5%.

The part of each pension in payment that is attributable to Pensionable Service before 1 April 1997 will increase in each year by the increase in the Retail Prices Index for the 12 months to the January immediately preceding the date of increase up to a maximum of 3%.

If an interval is less than 12 months, the increase will be an appropriate proportion of the full increase described above.

17.2.3 GMPs in payment

Where GMP is payable the increases described above only apply to the pension in excess of GMP. The part of the GMP that is attributable to earnings for the tax year 1988-89 and subsequent tax years will increase in each year by the percentage specified in any order made by the Secretary of State under Section 109 of the Pension Schemes Act 1993 (which is approximately equal to the percentage rise in the cost of living in each year, with a maximum of 3% per year compound). The remainder of the GMP will not increase.

17.2.4 Review of pensions

Pensions will be reviewed regularly and may be further increased by such amount and at such times as the Trustees decide with the consent of the Company (after considering actuarial advice).

17.2.5 Pensions to which this Rule 17.2 does not apply

Increases under this Rule 17.2 do not apply to any pension or part of a pension which is derived from additional voluntary contributions or provided under Rule 19.3 (discretionary benefits) or 20.1 (transfers-in). These pensions will increase in accordance with the terms on which they were granted.

18 General rules about benefits

18.1 Deduction of tax

The Trustees may deduct from any payment under the Scheme any tax for which they may be liable in respect of it.

The Trustees may reduce any benefit in respect of which a lifetime allowance charge arises, so as fully to reflect the amount of tax payable under Section 215 of the Finance Act 2004 (amount of charge). The Trustees will decide the amount of the reduction after considering advice from an actuary, and their decision will be final.

18.2 Benefits not assignable

Benefits under the Scheme are subject to restrictions imposed by Sections 91 to 93 of the Pensions Act 1995 (assignment and forfeiture, etc). These restrictions are intended generally to ensure that benefits are paid only to the person entitled under these Rules, rather than to any other person. The restrictions prevent benefits from being assigned, commuted, surrendered, charged or forfeited, except in specified circumstances.

However, there are exceptions to these restrictions. Where the exceptions allow:

18.2.1 an Employer may require the Trustees to reduce or stop a person's benefits (except for any GMP) if the person owes money to the Employer and the debt arises out of a criminal, negligent or fraudulent act or omission. If this happens, the Trustees will pay the Employer an amount equal to the debt or, if less, the value of the forfeit benefits;

18.2.2 the Trustees may reduce or stop a person's benefits in order to obtain payment of any debt owed by the person to the Scheme;

18.2.3 the Trustees may stop any benefits that are payable in respect of a Member to a person who is convicted of the Member's murder or manslaughter, or any other offence of which unlawful killing of the Member is an element (including aiding, abetting, counselling or procuring the Member's death);

18.2.4 a benefit (except for any GMP, and any amount that has already fallen due for payment) will cease to be payable if the person entitled to it under these Rules tries to assign or charge it; or if any other event occurs by which all or part of the benefit would, if it belonged to that person absolutely, become payable to someone else. If this happens, the Trustees may (but need not) pay an equivalent or smaller discretionary benefit to, or for the benefit of, one or more of:

(i) the person who was entitled to the original benefit; and

(ii) that person's spouse, civil partner or Dependants.

If the Trustees decide to pay a discretionary benefit to more than one person, they will pay it in such shares as they decide. The Trustees may deduct from a discretionary benefit any expenses incurred in paying it;

18.2.5 the Trustees may forfeit any benefit if the person entitled to it does not claim it within 6 years of the date on which it becomes due.

18.3 Beneficiary who is incapable

If the Trustees consider that any person cannot look after his or her affairs (by reason of illness, mental disorder, minority or otherwise) they may use any amounts due to that person for his or her benefit or may pay them to some other person or persons to do so. The Trustees may also make for the person concerned any choice which that person has under the Scheme.

18.4 Tax status of the Scheme

The Scheme is a "registered pension scheme" for the purposes of Part 4 of the Finance Act 2004. If (without this Rule 18.4) the Trustees would be required to make a payment under the Scheme that would be "unauthorised" by virtue of Section 160 of that Act (payments by registered pension schemes), the payment will be treated as discretionary and will not be made unless the Trustees and the Company agree otherwise (which they need not do).

Before 6 April 2006, the Scheme was approved under Chapter 1 of Part 14 of the Income and Corporation Taxes Act 1988 (retirement benefit schemes). As a condition of this approval, the Scheme was subject to various requirements including limits on the benefits and contributions that could be paid. The details of these limits are contained in previous legislation, and in IR12(2001) "Practice Notes on the Approval of Occupational Pension Schemes".

In spite of the changes made by the Finance Act 2004, the limits that previously applied to the amount and form of benefits under the Scheme, and to contributions to the Scheme, continue to apply where the pension came into payment before 6 April 2006. They do not otherwise apply.

With effect from 6 April 2006, The Registered Pension Schemes (Modification of the Rules of Existing Schemes) Regulations 2006 no longer apply to the Scheme.

18.5 Contracting-out

The Trustees will operate the Scheme in accordance with the Contracting-out Laws that apply to salary-related contracted-out schemes.

These Rules will be treated as including Rules to the same effect as any rule that must be included for the Scheme to be contracted-out in relation to a Member's Service. In particular, if a Member has a guaranteed minimum under Section 14 of the Pension Schemes Act 1993 (earner's guaranteed minimum) in relation to a pension provided by the Scheme:

18.5.1 the weekly rate of the Member's pension under the Scheme at age 65 if a man or 60 if a woman in respect of service before 6 April 1997 will not be less than that guaranteed minimum;

18.5.2 the weekly rate of pension payable to any widow of the Member under the Scheme in respect of the Member's service before 6 April 1997 (excluding pension provided by additional voluntary contributions) will not be less than ½ the Member's guaranteed minimum; and

18.5.3 the weekly rate of pension payable to any widower or civil partner of the Member under the Scheme in respect of the Member's service before 6 April 1997 (excluding pension provided by additional voluntary contributions) will not be less than ½ the part of the Member's guaranteed minimum which is attributable to earnings factors for the tax year 1988-89 and subsequent tax years up to and including the tax year 1996-97.

This Rule 18.5 overrides all other provisions of the Scheme, except those that are in accordance with the Pension Schemes Act 1993. However, it does not require any pension to be paid to any person in any circumstances where the Scheme is not required to provide a pension for that person under the Contracting-out Laws.

In spite of Rules 5.3 (early retirement (not Incapacity)) and 11.1 (early pension), a Member cannot choose a pension that starts before Normal Pension Date unless the Trustees are satisfied that the pension will satisfy the requirements of this Rule 18.5 without any additional cost to the Scheme.

18.6 Pension sharing on divorce

18.6.1 Compliance with pension sharing orders

It may be that an order or other provision under Section 28(1) of the Welfare Reform and Pensions Act 1999 or equivalent Northern Ireland laws (activation of pension sharing) requires all or part of a Member's benefits to be transferred to the Member's former spouse or civil partner. If this happens, the Trustees will discharge their liability to the former spouse or civil partner in accordance with the requirements of the Act. However, the Trustees may provide benefits for the former spouse under the Scheme only after consulting the Company. The Trustees may recover charges in respect of pension sharing costs, as allowed by the Act.

In discharging their liability to a former spouse or civil partner, the Trustees will treat as safeguarded rights only the safeguarded percentage of the person's rights, as allowed by Part 3A of the Pension Schemes Act 1993 (safeguarded rights).

18.6.2 Benefits under the Scheme

If the Trustees provide pension credit benefits for the former spouse or civil partner under the Scheme, these benefits will comply with the laws on safeguarded rights in Part 3A of the Pension Schemes Act 1993, and will be provided separately from any other benefits to which the former spouse or civil partner may be entitled under the Scheme.

18.6.3 Death of former spouse or civil partner before a transfer payment is made

It may be that the Trustees intend to discharge their liability to the former spouse or civil partner by making a transfer payment to another pension arrangement, but the former spouse or civil partner dies before the payment is made. If this happens, the Trustees may (but need not) use the intended transfer payment to provide benefits in respect of the former spouse or civil partner in any of the ways allowed by the Welfare Reform and Pensions Act 1999. Any part of the intended transfer payment that is not used in this way will be retained by the Trustees as part of the Scheme's general assets.

18.7 Benefits payable to the estate

It may be that a benefit of £5,000 or less becomes payable to a Member's or other person's estate. If so, the Trustees may (but need not) pay the benefit to or use it for the benefit of the person concerned's spouse or other dependant instead of paying it to the estate.

19 Discretionary benefits

19.1 Commutation: serious ill-health

It may be that the Trustees receive evidence from a registered medical practitioner that a Member is expected to live for less than one year. If this happens before the Member starts to receive benefits from the Scheme, the Trustees may allow the Member to give up all of his or her benefits under the Scheme in return for a lump sum. However, this will be allowed only if payment of a "serious ill-health lump sum" is permitted under Part 4 of the Finance Act 2004 and the Contracting-out Laws. The Trustees will convert pension to lump sum on a basis determined by the Trustees after considering actuarial advice.

Note: The Finance Act 2004 permits payment of a "serious ill-health lump sum" only if any benefits payable on the Member's death are first moved to a new arrangement within the Scheme. The Trustees will record the creation of this new arrangement as they think fit.

19.2 Commutation: triviality

It may be that a Member or other person entitled to a pension would be allowed by the Contracting-out Laws and the Finance Act 2004 to give up all their benefits under the Scheme in return for a lump sum. If so, the Trustees may allow them to do this.

The Trustees will convert pension to lump sum on a basis determined by the Trustees after considering actuarial advice.

19.3 Discretionary benefits

If either the Company requests or the Trustees, with the consent of the Company, decide and in each case the Employers agree to pay any additional contributions that the Trustees consider appropriate (for which purpose the Trustees will consider actuarial advice), the Trustees will provide:

19.3.1 increased benefits for or in respect of any Member or Members;

19.3.2 benefits for or in respect of any Member or Members different, or on different terms including as to time of payment, from those set out elsewhere in the Rules; or

19.3.3 benefits for or in respect of any Employee or former Employee or any spouse, civil partner or Dependant of a former Employee (or for any other person for whom an Employer wishes to provide benefits).

Any benefits provided under this Rule 19.3 will be consistent with the Contracting-out, Preservation, Revaluation and Transfer Value Laws and with the Scheme's status as a registered pension scheme under Part 4 of the Finance Act 2004 and must be "authorised payments" for the purposes of that Act unless the Trustees and the Company agree otherwise.

20 Transfers and buy-outs

20.1 Transfers-in

The Trustees may accept a transfer of assets or surrender value in respect of a person from another pension scheme or arrangement and will provide such benefits consistent with the Contracting-out, Preservation, Revaluation and Transfer Value Laws as they decide are appropriate after considering actuarial advice.

20.2 Transfers to other pension schemes and arrangements

Instead of providing benefits under the Scheme for any person, the Trustees may (after considering actuarial advice) make a transfer payment to another pension scheme or arrangement or to an insurance company, so that benefits will be provided for the person concerned under the other scheme or arrangement, or by the insurance company. If the Company agrees, the Trustees may make a payment in respect of part only of a person's benefits under the Scheme.

The transfer must comply with the Contracting-out and Preservation Laws. It must also be a "recognised transfer" under Section 169 of the Finance Act 2004 (recognised transfers).

The transfer payment will be equal to the cash equivalent of the person concerned's accrued benefits unless the Company directs the Trustees to transfer a larger amount. However, the transfer payment will not exceed that part of the assets of the Scheme which the Trustees determine (after considering actuarial advice) to relate to the person concerned.

20.3 Securing benefits with insurance policies and annuity contracts

If the Trustees have bought an insurance policy or annuity contract to secure all or part of a person's benefits under the Scheme, the Trustees may transfer it into the person's name at any time. If the Trustees do this, this person will cease to be entitled to those benefits under the Scheme.

Any transfer under this Rule 20.3 must comply with the Contracting-out and Preservation Laws.

21 Assets of the Scheme

21.1 Assets held on trust

The Trustees will hold all the contributions and other assets which they receive and the property representing them and all the income on trust to pay the benefits under the Scheme.

The assets of the Scheme (including assets held for the purpose of calculating money purchase benefits) are held as a common trust fund from which all the benefits are provided. No Member or other person entitled to benefits is entitled to any specific assets of the Scheme.

21.2 Use of assets

For the purposes of the Scheme, the Trustees may, in any part of the world, alone or together with others:

21.2.1 acquire and dispose of any property (tangible or intangible, movable or immovable), whether or not it produces income;

21.2.2 enter into any contract or incur any obligation;

21.2.3 lend or borrow money or other property for any purpose (including acquiring assets);

21.2.4 grant any mortgage or charge over, or give any right of recourse against, any or all of the assets of the Scheme;

21.2.5 form and finance any company;

21.2.6 carry on and finance any business;

21.2.7 insure assets of the Scheme for any amount against any risk;

21.2.8 keep assets in nominee names;

21.2.9 pool assets with other occupational pension schemes in common investment funds; and

21.2.10 exercise their powers under Section 34(1) of the Pensions Act 1995 (power of investment and delegation) to make an investment of any other kind as if they were absolutely entitled to the assets of the Scheme.

The Trustees will exercise these powers in accordance with Sections 36 and 40 of the Pensions Act 1995 (choosing investments and restriction on employer-related investments).

21.3 Participation in common investment funds

If the Trustees decide to pool assets with other occupational pension schemes in common investment funds, they may exercise their powers under Rule 21.2 (use of assets) to delegate investment functions to the trustee or administrator of the common investment fund. The functions that may be delegated include:

21.3.1 the Trustees' powers under Rule 21.2 (use of assets);

21.3.2 any discretion to make any decision about investments;

21.3.3 the power to delegate investment functions on behalf of the Trustees to a fund manager in accordance with Section 34 of the Pensions Act 1995 (power of investment and delegation);

21.3.4 the duty to be satisfied that the fund manager has appropriate knowledge and experience and is carrying out his or her work competently and in accordance with Section 36 of the Pensions Act 1995 (choosing investments); and

21.3.5 the power to appoint any professional advisers under Section 47 of the Pensions Act 1995.

21.4 Expenses and charges

The Trustees will pay the expenses of the Scheme out of the Scheme's assets. This includes (1) their own expenses, and any liabilities, incurred by them acting as trustees of the Scheme; and (2) the expenses, and any liabilities, incurred by the directors of a trustee acting in their capacity as directors of the trustee, but excluding any liabilities incurred by a remunerated professional trustee or trustee director. It also includes any costs incurred in connection with actual or anticipated legal proceedings, including (if the Trustees think fit) costs incurred by any other person involved in those proceedings (e.g. representatives of any class of Member). If the Employers agree, they will reimburse the Scheme for the amount of any or all of these expenses.

However, no amount may be paid from the Scheme's assets to reimburse a trustee, former trustee, trustee director or former trustee director for:

21.4.1 expenses or liabilities incurred through knowing and deliberate wrongdoing or which are covered by insurance under Rule 22.5 (trustee insurance); or

21.4.2 fines or penalties of the kind mentioned in Section 256 of the Pensions Act 2004 (no indemnification for fines or civil penalties).

A trustee or trustee director may charge for services rendered on a basis agreed with the Company, as also may a company or firm in which a trustee is interested.

21.5 Accounts and actuarial valuations

The Trustees will prepare annual accounts of the Scheme and have them audited.

The Trustees will obtain actuarial valuations of the Scheme at intervals of not more than 3 years, and (if so required by the Pensions Act 2004) an actuarial report for any year in which they do not obtain a valuation. The valuations and reports must comply with any requirements of Section 224 of the Pensions Act 2004 (actuarial valuations and reports).

If the actuarial valuation discloses a deficiency in the Scheme, the deficiency shall be made up in such manner as the Trustees may, with the consent of the Company and after obtaining actuarial advice, determine.

21.6 Money purchase accounts

It may be that a Member has a money purchase account under the Scheme. If so, the following will apply.

21.6.1 The value of the benefits provided for, and in respect of, each such Member will be determined by reference to the value of the Member's money purchase account at the date on which the benefits are provided.

21.6.2 The Trustees will also allocate to each Member's money purchase account a fair share of any expenses of the Scheme that are not reimbursed by the Employers, calculated on a basis that the Trustees consider reasonable.

21.6.3 Members may choose to link the value of their money purchase accounts to one or more investment options offered by the Trustees from time to time. If a Member does not choose an investment option, the Trustees will choose for the Member. The Trustees will adjust the value of each Member's money purchase account in line with changes in the value of the investment option to which the money purchase account is linked.

21.6.4 If the Trustees allow, Members may switch between the available investment options offered by the Trustees. Switching may apply to amounts already allocated to money purchase accounts as well as to amounts to be allocated in future. Switching will be subject to any restrictions or conditions that the Trustees may impose from time to time.

21.6.5 The Trustees may at any time change the investment options available under the Scheme. In particular, the Trustees may withdraw any investment option at any time, for amounts already allocated to money purchase accounts as well as for amounts to be allocated in future. If the Trustees withdraw an investment option and a Member does not choose a replacement from the options offered by the Trustees, the Trustees will choose for the Member.

21.6.6 The Trustees will not be liable for any loss arising from any choice of any investment option.

21.6.7 The allocation of assets to a particular Member's money purchase account, and the linking of a money purchase account to the value of particular investments, is for benefit calculation purposes only. The assets of the Scheme are held as a common trust fund from which all the benefits are provided. No Member or other person entitled to benefits is entitled to any specific assets of the Scheme.

22 Trustees

22.1 Appointment

The Company may appoint new or additional trustees or a body corporate as sole trustee. The Company may also remove trustees.

These powers will be exercised by deed. They may be exercised without giving any reason and without any limit on the number of trustees. However they may not be exercised in any way that conflicts with any arrangements made under Sections 241 to 243 of the Pensions Act 2004 (requirements for member-nominated trustees and directors).

22.2 Majority and delegation

The Trustees may act by majority vote and may delegate powers, duties or discretions to any person and on any terms (including terms that allow the delegate to sub-delegate).

22.3 Indemnity

The Employers will jointly and severally indemnify each of the Trustees (except a remunerated professional trustee) against any expenses and liabilities which are incurred through acting as a trustee of the Scheme but which cannot, for any reason, be met out of the Scheme's assets. But this does not apply to expenses and liabilities which are incurred through knowing and deliberate wrongdoing or covered by insurance under Rule 22.5 (trustee insurance).

22.4 Limit of liability

None of the Trustees (except a remunerated professional trustee) will be liable for any negligence, default, breach of duty or breach of trust other than knowing and deliberate wrongdoing.

This Rule 22.4 is subject to Section 33 of the Pensions Act 1995 (investment powers: duty of care). Section 33 limits the extent to which liability for breach of any obligation to take care or exercise skill in the performance of any investment functions can be excluded or restricted.

22.5 Trustee insurance

The Trustees may insure the Scheme against any loss caused by them. The Trustees may also insure themselves against liability for negligence, default, breach of duty or breach of trust not involving knowing and deliberate wrongdoing. The premiums may be paid from the assets of the Scheme except in the case of a remunerated professional trustee or if the insurance covers fines or penalties of a kind mentioned in Section 256 of the Pensions Act 2004 (no indemnification).

To the extent to which the Trustees obtain insurance and receive payment under the insurance, they will waive the protection of Rule 22.3 (indemnity).

22.6 Corporate trustee

Where there is a corporate trustee:

22.6.1 the officers and employees (and the former officers and employees) of the corporate trustee will not be liable for any negligence, default, breach of duty or breach of trust except (i) knowing and deliberate wrongdoing and (ii) any liability in relation to the corporate trustee itself that, under company law, cannot be excluded;

22.6.2 the Employers will jointly and severally indemnify those officers and employees (and the former officers and employees) under Rule 22.3, to the same extent as if they were individual trustees;

22.6.3 the Employers will also jointly and severally indemnify those officers and employees against any expenses and liabilities incurred in relation to the corporate trustee itself and in connection with its activities as a trustee of the Scheme, except for:

(i) expenses or liabilities which are incurred through knowing and deliberate wrongdoing or covered by insurance under Rule 22.5 (trustee insurance); and

(ii) liabilities of the kind mentioned in Section 235(3) of the Companies Act 2006, which cannot be covered by a qualifying pension scheme indemnity; and

22.6.4 the Trustees may insure the Scheme against any loss caused by those officers and employees (and the former officers and employees) and pay the premiums from the Scheme's assets. This Rule 22.6.4 does not apply, however, where the insurance covers fines or penalties of a kind mentioned in Section 256 of the Pensions Act 2004.

None of the above provisions of this Rule 22.6 apply in respect of a remunerated professional officer or employee, except and to the extent that the Company directs otherwise.

23 New Company

Any company may agree with the Trustees to become the Company by deed declaring that it is liable to perform the obligations of the Company. The consent of the Company will be necessary unless it has been dissolved.

24 Associated Employers

24.1 Inclusion in the Scheme

Any employer may agree with the Company and the Trustees to participate in the Scheme. Each employer wishing to participate in the Scheme must enter into a deed with the Company and the Trustees agreeing to comply with the Rules.

24.2 Ceasing to participate

An Employer may cease to participate in the Scheme at any time by written notice to the Trustees.

When an Employer ceases to participate in the Scheme, any Members who are then in Service with that Employer will become entitled to benefits as if they had then left Service, regardless of the length of their Qualifying Service.

25 Apportionment of debt for the purposes of Section 75 of the Pensions Act 1995

25.1 Meaning of words used

In this Rule 25:

"**Employer**" has the meaning given in Rule 1 (meaning of words used) but also includes any person who is a "former employer" within the meaning of the Employer Debt Regulations.

"**Employer Debt Regulations**" means the Occupational Pension Schemes (Employer Debt) Regulations 2005 as amended from time to time.

Each of the terms "**Employment Cessation Event**", "**Liability Share**", and "**Scheme Apportionment Arrangement**" has the meaning given in the Employer Debt Regulations.

"**Relevant Event**" has the meaning given in Section 75 of the Pensions Act 1995.

"**Section 75 Debt**" means debt arising under Section 75 of the Pensions Act 1995.

25.2 Apportionment of debt

This Rule 25 applies at any time when all of 25.2.1 to 25.2.3 below apply:

25.2.1 the Scheme is a "multi-employer scheme" for the purposes of the Employer Debt Regulations;

25.2.2 there is an Employment Cessation Event or other Relevant Event in respect of an Employer;

25.2.3 the Company and the Trustees agree that this Rule 25 should apply.

If this Rule 25 applies, the amount of Section 75 Debt due from any Employer to whom the Employment Cessation Event or Relevant Event applies will be such amount as the Trustees and the Company agree provided that:

(a) it is not less than £100; and

(b) it is not more than the Employer's Liability Share unless the Employer in question agrees.

If as a result of the application of this Rule 25, the amount due from an Employer is less than the Employer's Liability Share, the Trustees and the Company must also agree that the balance of the Liability Share is apportioned to one or more other Employers (and, if more than one, in such proportions as the Trustees and the Company agree).

Before agreeing that this Rule 25 should apply, the Trustees must ensure that the arrangements in respect of the Employer qualify as a Scheme Apportionment Arrangement.

The Trustees and the Company may agree that this Rule 25 shall be applied so as to require different amounts (including amounts determined by reference to different considerations) from different Employers (including that this Rule 25 shall apply in respect of one or more Employers but not others).

26 Termination of the Scheme

26.1 Time of termination

The Company may terminate the Scheme by written notice to the Trustees. The Trustees will terminate the Scheme if the Company for the time being is dissolved (unless another person becomes the Company under Rule 23 (new Company)) and may terminate the Scheme if they receive actuarial advice that the assets of the Scheme are insufficient to secure the liabilities under Rule 27.3 (securing benefits with an insurance company) and the Trustees consider that there is no reasonable expectation that contributions expected from the Employers will eliminate the deficit.

26.2 Effect of termination

Each Member will be treated as if he or she had left Service with a preserved pension on the day the Scheme terminates, regardless of the length of his or her Qualifying Service (see Rule 9 (early leavers)).

After the Scheme terminates, the Trustees will continue to provide benefits in accordance with the Rules. However, no further contributions will become payable after the Scheme terminates unless required by a schedule of contributions under Part 3 of the Pensions Act 2004 (scheme funding).

26.3 Re-opening the Scheme

At any time before the Trustees decide to wind up the Scheme, the Trustees and the Company (or any new principal employer) may agree to re-open the Scheme, so that Employees may again start qualifying for benefits.

27 Winding up the Scheme

27.1 Winding up

The Trustees may decide to wind up the Scheme at any time after the Scheme terminates.

The Trustees will continue to provide benefits in accordance with the Rules, and Rule 28 (modifications to the Scheme) will continue to apply, until the Scheme has been wound up and all the benefits secured.

27.2 Use of assets

When the Trustees wind up the Scheme, they will pay all sums due before the winding up started, including lump sums in respect of Members who have died within 2 years before the winding up started. They will then set aside sufficient assets to pay the expenses of the winding up. They will then use the rest of the Scheme assets as described below.

27.3 Securing benefits with an insurance company

The Trustees will buy an insurance policy or annuity contract in the name of each person entitled to benefits under the Scheme from an insurance company (or transfer an existing policy or contract under Rule 20.3 (securing benefits with insurance policies and annuity contracts)), except those for whom they provide benefits under Rule 27.6 (winding up lump sums) or 27.7 (transfers to other schemes). The policies and contracts will be consistent with the Contracting-out, Preservation and Revaluation Laws and with the Scheme's status as a registered pension scheme for the purposes of Part 4 of the Finance Act 2004 and will provide benefits as nearly as practicable the same as each person's entitlement under the Scheme. However, if a Member or other person entitled to benefits so requests, a policy or contract may provide different benefits (including money purchase benefits).

27.4 Surplus assets

If any assets remain after all benefits have been provided in full, the Trustees shall increase all or any of the benefits or provide additional benefits to any extent that they consider appropriate consistent always with Inland Revenue Limits but no such additional benefits shall be granted in respect of any money purchase benefits under the Scheme unless the Company agrees otherwise. Any assets then remaining will be paid to the Employers in such proportions as the Trustees (acting on actuarial advice) consider appropriate. However the requirements of Section 76 of the Pensions Act 1995 (excess assets on winding up) must be satisfied before payment is made to the Company or any other Employer.

For the purposes of this Rule 27.4, "**Inland Revenue Limits**" means the limits that, until 6 April 2006, applied to the Scheme as a condition of tax approval under Chapter 1 of Part 14 of the Income and Corporation Taxes Act 1988. These limits continue to apply to the Scheme except where the Company and the Trustees agree otherwise.

27.5 Insufficient assets

If the assets are insufficient to provide all benefits in full, Section 73 of the Pensions Act 1995 (preferential liabilities on winding up) will apply. However, Section 73 does not apply to assets that represent the value of any rights in respect of money purchase benefits under the Scheme. Any assets representing the value of money purchase benefits (including additional voluntary contributions) will be used to provide money purchase benefits.

Any assets then remaining will be used to satisfy any remaining liabilities of the Scheme in the following order of priority:

27.5.1 benefits in respect of pensioners and of Members who reached Normal Pension Date before the winding up started;

27.5.2 such parts of other benefits as had accrued up to 6 April 1978, based on service and earnings up to that date and the rules of the Scheme then in force;

27.5.3 GMPs not yet payable, state scheme premiums and equivalent pension benefits for periods of non-participating employment under the National Insurance Act 1965;

27.5.4 other benefits in any order of priority as the Trustees consider appropriate.

The Trustees will only use money purchase assets to provide money purchase benefits, except to the extent required by law to meet GMPs.

27.6 Winding up lump sums

When winding up the Scheme, the Trustees may pay an immediate lump sum instead of providing other benefits, if payment of a "winding-up lump sum" is permitted under Part 4 of the Finance Act 2004. The Trustees will pay the lump sum to the person in whose name they would otherwise have bought an insurance policy or annuity contract.

27.7 Transfers to other schemes or arrangements

When winding up the Scheme, the Trustees may make transfer payments in accordance with Rule 20.2 (transfers to other pension schemes and arrangements) in respect of all or any of the Members, instead of buying annuities. A transfer of benefits in respect of contracted-out employment must be approved by the Inland Revenue in accordance with Section 50 of the Pension Schemes Act 1993 (powers to approve arrangements for scheme ceasing to be certified).

28 Modifications to the Scheme

The Trustees may at any time and from time to time with the consent of the Company by deed modify all or any of the provisions of these Rules provided that no such modification shall be made if it would diminish any pension already being paid under the Scheme or the accrued rights or interests of any Member or other person in respect of benefits already provided under the Scheme save with the written consent of the Member concerned unless such action is necessary to secure the continued registered scheme status of the Scheme.

29 Governing law

English law governs the Scheme and its administration.

Executed as a deed by
Northern Foods plc
acting by:

Director [redacted]

Director/Secretary

Signatures redacted under Trustee's Cyber Security Policy

Executed as a deed by
Northern Foods Trustees Limited
acting by:

Director

~~Director~~/Secretary

Appendix
Limited pension

1 **Amount of limited pension**

The limited pension referred to in Rule 8 (pensions on the Member's death) is a pension equal to the total of:

(i) any GMP that the Scheme is required to provide for the spouse or civil partner under the Contracting-out Laws; and

(ii) 1/160th of the Member's Average Qualifying Earnings for each complete year of the Member's contracted-out Pensionable Service on and after 6 April 1997, plus an additional proportion for each additional complete month.

2 **Meaning of "Average Qualifying Earnings"**

For the purpose of 1(ii) above, "**Average Qualifying Earnings**" means qualifying earnings averaged over the last 3 complete tax years before the Member leaves Service or dies, whichever occurs first; and "**qualifying earnings**" means the same as for the purposes of Section 12B of the Pension Schemes Act 1993 (reference scheme).

A Member's qualifying earnings for any tax year are broadly equal to 90% of the Member's earnings between the yearly rate of the lower and upper earnings limits for National Insurance contributions for that tax year.

If the Member was not in Pensionable Service for 3 complete tax years, Average Qualifying Earnings means qualifying earnings averaged over the whole of the Member's Pensionable Service.

Note: Special provisions apply to a Member who participates in a pay exchange arrangement or childcare voucher scheme. See Rule 16.6 (Members who participate in a "pay exchange arrangement" or "childcare voucher scheme").

3 **Revaluation of part of pension**

If the Member dies more than 12 months after leaving Service and before Normal Pension Date, the amount described in 1(ii) above will be increased before payment as if the Revaluation Laws applied to it for the period between the Member's leaving Service and the Member's death.

If the Member dies after leaving Service and on or after Normal Pension Date, the amount described in 1(ii) above will be increased before payment as if:

(a) the Revaluation Laws applied to it for any period between the Member's leaving Service and Normal Pension Date; and

(b) the first paragraph of Rule 17.2.2 (pension increases) had applied to it during any period between the Member's Normal Pension Date or leaving Service (whichever was later) and the Member's death.

This amount will also be increased under the first paragraph of Rule 17.2.2 (pension increases) after the Member's death.

Restriction of limited pension

The amount described in 1(ii) above may be reduced if Rule 8.8 (young spouse or civil partner) applies, and will not be included in the limited pension at all if:

(i) the marriage took place or the civil partnership was entered into after the Member started to receive a pension; or

(ii) the spouse or civil partner is living together as husband and wife or in a manner similar to a civil partnership with a person to whom he or she is not married and with whom he or she has not entered into a civil partnership.