

Word version of document executed and effective 9 December 2013, with some reformatting/ rewording of the Index and the headings to the Parts, and changes to the pagination.

TRUST DEED

between

UPM-KYMMENE (UK) LIMITED

and

THE TRUSTEES OF THE UPM-KYMMENE UK PENSION SCHEME

and

TILHILL FORESTRY LIMITED

The UPM-Kymmene UK Pension Scheme

Dated: 9 December 2013



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PART 4 – EXTRACTS FROM THE RULES OF THE UPM-KYMMENE UK PENSION SCHEME IN FORCE PRIOR TO 9 DECEMBER 2013

The index to the document is at the start of Part 4 and on page 14 of the document. The index refers to contents not all of which have been reproduced in the extracts. At the end of the document is also an extract from the Deed of Clarification and Amendment dated 7 December 2010 regarding civil partnerships.

PART 5 – EXTRACTS FROM THE RULES OF THE UPM RAFLATAC LIMITED PENSION PLAN IN FORCE PRIOR TO 9 DECEMBER 2013

This Part 5 contains:

1. Extracts from the Definitive Deed and Rules dated 5 January 1990 as signed. The index to the document is at the start of it. The index refers to contents not all of which have reproduced in the extracts.
2. Extracts from the working copy of the Definitive Deed and Rules dated 29 December 1995 (as amended). The index is on page 8 of the document. The index refers to contents not all of which have reproduced in the extracts.

At the end of the document in 2. are attached a copy of the following:

- (a) the Deed of Amendment dated 20 July 2006 (regarding: the Pensions Act 2004, Finance Act 2004 and Civil Partnership Act 2004); and

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Clause	Heading	Page No.
(b)	the Pension Schemes Merger Agreement and Deed of Amendment dated 28 March 2012 (by which the UPM Raflatac Limited Pension Plan was merged with the UPM-Kymmene UK Pension Scheme).	

THIS TRUST DEED is made on the 9th day of December 2013

between:

- (1) **UPM-KYMMENE (UK) LIMITED** (registered number SC102969) whose registered office is at Meadowhead Road, Irvine, Ayrshire, KA11 5AT (the "**Principal Company**");
- (2) **DAVID GRAEME CHALMERS, RUSSELL JOHN MOORE, JOHN BROWN, RONALD STEVENSON** and **GRAHAM HOUGH** all c/o UPM-Kymmene (UK) Limited, Meadowhead Road, Irvine, Ayrshire, KA11 5AT, and **GERALDINE BUCHANAN** c/o UPM Tilhill, Kings Park House, Laurelhill, Stirling, FK7 9NS (the "**Trustees**"); and
- (3) **TILHILL FORESTRY LIMITED** (registered number 03242286) whose registered office is at Unit 1, Birchden Farm, Broadwater Forest Lane, Groombridge, Kent, TN3 9NR ("**Tilhill**");

INTRODUCTION

- A This Trust Deed including the Rules which are attached to and form part of it update and consolidate the provisions of the UPM-Kymmene UK Pension Scheme (the "**Scheme**").
- B The provisions of the Scheme are currently set out in a Deed of Consolidation and Amendment dated 9 November 2001 with new rules attached, which documents as amended from time to time are referred to as the "**Old Scheme Documentation**".
- C The Trustees are the present trustees of the Scheme.
- D The Principal Company is the present "Principal Company" of the Scheme and Tilhill is a "Participating Employer" all in terms of the Old Scheme Documentation.
- E The UPM Raflatac Limited Pension Plan has been merged with the Scheme by means of a bulk transfer of its assets and liabilities to the Scheme under the Merger Agreement.
- F In terms of clause 17 of the deed dated 9 November 2001 mentioned above the Principal Company may with the consent of the Trustees alter or add to the terms and provisions of the Old Scheme Documentation by deed.
- G The principal purposes of this Trust Deed are:
 - (a) to set out the basis on which retirement benefits are to accrue for Pensionable Service from the date of this Trust Deed;
 - (b) to set out the basis on which cover for lump sum benefits and dependant's pension is provided in the event of a member's death in service on or after the date of this Trust Deed (and any exceptional cover for lump sum death benefit where service has ended);
 - (c) to set out (but only for reference and with no effect in law intended) the provisions of the Scheme which apply: for the calculation of Final Salary Benefits in respect of Pensionable Service prior to 1 January 2008, for any pension in payment immediately prior to the date of this Trust Deed (and any contingent survivor's pension), and for contributions towards money-purchase retirement benefits prior to the date of this Trust Deed;
 - (d) to set out but only for reference and with no effect in law intended the provisions of the UPM Raflatac Limited Pension Plan which applied for the calculation of benefits prior to 1 January 2008;
 - (e) to consolidate relevant provisions of the Merger Agreement;

(f) to reflect some legislative developments:

provided that this Trust Deed is not intended to make the basis of any aspect of the calculation of, or conditions for payment of, any benefits, whether in respect of past or future service or otherwise, in respect of any beneficiary under the Scheme more generous than the basis contained in the provisions of the Scheme immediately prior to the date of this Trust Deed:

(all of the foregoing being the "**Intended Changes**").

H. Tilhill has consented to the provisions of this Trust Deed by its execution of it.

NOW THIS DEED WITNESSES and it hereby agreed and declared as follows that:

1 Interpretation

Unless defined above or in clauses 2 to 5, all words and expressions used in the recitals to this Trust Deed and in clauses 2 to 5 shall have the meaning if any given to them in rule 1 of the General Rules unless the context otherwise requires or otherwise stated, and the interpretation provisions in that rule shall apply.

2 Replacement of Old Scheme Documentation

2.1 In exercise of their powers in clause 17 of the Deed of Consolidation and Amendment dated 9 November 2001 and all other powers conferred by law, with effect from the date of this Trust Deed (the "**Effective Date**") the Principal Company with the consent of the Trustees and Tilhill hereby replaces the Old Scheme Documentation with the rules attached to this Trust Deed (the "**Rules**"), subject to clauses 2.2 to 5.5 below.

2.2 Notwithstanding clause 2.1 but subject to clause 2.3:

- (a) any pension which has come into payment prior to the Effective Date shall remain determined and payable according to the Old Scheme Documentation;
- (b) any survivor's pension on the death on or after the Effective Date of a pensioner within (a) shall be determined and payable according to the Old Scheme Documentation;
- (c) all retirement and death benefits in respect of any Final Salary Benefits not covered by (a) and (b) shall be determined and payable according to the Old Scheme Documentation;
- (d) all ordinary Member and Employer contributions prior to the Effective Date towards money purchase retirement benefits shall be determined according to the Old Scheme Documentation;
- (e) all Scheme benefits in respect of rights transferred from the UPM Raflatac Limited Pension Plan under the Merger Agreement shall be determined and payable with reference to the rules of that scheme as applicable.

2.3 In respect of the benefits in clause 2.2:

- (a) they shall be subject to the General Rules in so far as consistent with Pensions Law;
- (b) where:

- (i) the benefits in respect of a Member's past Pensionable Service include Final Salary Benefits;
- (ii) his Pensionable Service did not cease before 1 January 2008; and
- (iii) he dies on or after the Effective Date:

the provisions of Part 3 of the Rules (Death Benefit Rules - Legacy Death Benefits) shall apply, and the Old Scheme Documentation (including the maximum aggregate amount of Final Salary Benefits under It in respect of the Member's death) is subject to Part 3;

- (c) all cover for lump sum death benefit one times or a multiple of all or part of a deceased Member's earnings and whether or not associated with the Member's past Pensionable Service for Final Salary Benefits shall only be provided according to the Rules, and the Old Scheme Documentation shall not apply to such benefit; and
- (d) the Deeds of Amendment dated 5 April 2006 and 7 December 2010 (both forming part of the Old Scheme Documentation and dealing mainly with the changes made by the Finance Act 2004 – "A Day") shall be superseded, except in respect of the provisions of clause 4.14 of the Deed of Amendment dated 7 December 2010 regarding pension to a civil partner (within the meaning given to that expression by the Civil Partnership Act 2004).

2.4 Notwithstanding clause 2.1, Parts 4 and 5 of the Rules (extracts from the Old Scheme Documentation and from the rules of the Raffatac Plan) are for reference only and their inclusion in the Rules is not intended to and shall not have any effect in law.

3 Intended Changes

3.1 This Trust Deed is intended to make the Intended Changes only. Reference in this clause 3 to this Trust Deed shall include any of the Rules.

3.2 The following provisions of this clause 3 apply if at any time after the Effective Date the Trustees and the Principal Company are satisfied that for any reason and in any respect any provision in this Trust Deed is not consistent with or adequate to make the Intended Changes, or makes any change which is not among the Intended Changes. Any such determination when made shall be retrospective to the Effective Date (or such later date or dates as may be agreed between the Trustees and the Principal Company).

3.3 A statement signed by or on behalf of the Principal Company and the Trustees shall be final and conclusive evidence of the fact that a provision in this Trust Deed is not consistent with or adequate to make the Intended Changes, or makes any change which is not among the Intended Changes. Such statement shall have retrospective effect from the Effective Date (or such later date or dates as may be agreed between the Trustees and the Principal Company).

3.4 The Principal Company, with the consent of the Trustees, may amend and/or correct the provisions of this Trust Deed with effect from the Effective Date (or such later date or dates as may be agreed between the Trustees and the Principal Company) so as to ensure that the provisions of this Trust Deed make the Intended Changes and do not make any changes which are not among the Intended Changes.

3.5 Subject to any amendment or correction made under clause 3.4 or otherwise by the Principal Company and the Trustees, this Trust Deed shall be deemed to be amended and corrected with effect from the Effective Date (or such later date or dates as may be agreed between the Trustees and the Principal Company) to the extent necessary to produce the

result that this Trust Deed does make the Intended Changes, and does not make any changes which are not among the Intended Changes.

- 3.6 Persons shall only be entitled to receive from the Scheme benefits which are consistent with the Intended Changes and shall not be entitled to benefits which are not among the Intended Changes.
- 3.7 The foregoing provisions of this clause 3 are independent and without limitation of but not limited by any "error correction" or analogous provisions in any deed or other instrument taking effect prior to the Effective Date. The foregoing provisions of this clause 3 shall apply, and the powers referred to in this clause 3 shall be exercisable, after as well as before the commencement of any total or partial winding-up of the Scheme.

4 Trustees' Resolution under Section 251 of the Pensions Act 2004

This Trust Deed shall not affect the specific and general effect of the resolution of the Trustees of 20 April and 10 and 19 May 2011 under Section 251 of the Pensions Act 2004 and stated to be effective from 5 April 2011 (with the references in the resolution to specific provisions of the Scheme being to the equivalent provisions in the General Rules).

5 Miscellaneous

- 5.1 Subject to the amendments made by this Trust Deed, the Trustees and the Principal Company and Tilhill confirm the terms of the Old Scheme Documentation.
- 5.2 Nothing in this Trust Deed shall operate so as to invalidate or affect any act or the exercise of any power, discretion or right before the Effective Date by the Trustees, Principal Company or an Employer. Nothing in this Trust Deed shall of itself invalidate or prejudice or lead to the increase of any instalment of pension or lump sum retirement or death benefit or refund in respect of contributions or transfer payment or other sum in any foregoing case paid or due for payment prior to the Effective Date.
- 5.3 If, at any time, any provision of the Scheme or this Trust Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.
- 5.4 The Scheme and this Trust Deed shall be governed by and interpreted according to the law of England.
- 5.5 This Trust Deed may be executed in any number of counterparts (but shall not be effective until each party has executed at least one counterpart), each of which, when executed and delivered, shall be an original and which together shall have the same effect as if each party had executed and delivered the same document.

IN WITNESS WHEREOF this Trust Deed inclusive of the Rules annexed to it is executed and delivered as a deed on the date first stated above follows:

EXECUTED as a deed by UPM-KYMMENE (UK) LIMITED acting by

..... Director
DAVID GILFARME CHALMERS Full Name

In the presence of
..... Witness
RUTH TOBIAS Full Name

c/o PINSENT MASONS LLP Address
141, BATHWELL ST, GLASSON, G2 7EQ

EXECUTED as a deed by DAVID GRAEME CHALMERS

in the presence of

Witness

RUTH TOBIAS / Full Name

c/o PINSENT MASONS LLP Address

141 BOTHERWELL STREET, GLASGOW G2 7EQ

EXECUTED as a deed by RUSSELL JOHN MOORE

in the presence of

Witness

RUTH TOBIAS / Full Name

c/o PINSENT MASONS LLP Address

141 BOTHERWELL STREET, GLASGOW G2 7EQ

EXECUTED as a deed by JOHN BROWN

in the presence of

Witness

RUTH TOBIAS / Full Name

c/o PINSENT MASONS LLP Address

141 BOTHERWELL STREET, GLASGOW G2 7EQ

EXECUTED as a deed by RONALD STEVENSON

in the presence of

Witness

RUTH TOBIAS / Full Name

c/o PINSENT MASONS LLP Address

141 BOTHERWELL STREET, GLASGOW G2 7EQ

EXECUTED as a deed by GRAHAM HOUGH

[REDACTED]

in the presence of

[REDACTED]

Witness

RUTH TOBIAS

Full Name

c/o PINSENT MASONS LLP

Address

141 BOTHERWELL STREET, GLASGOW G2 7EQ

EXECUTED as a deed by GERALDINE BUCHANAN

[REDACTED]

in the presence of

[REDACTED]

Witness

RUTH TOBIAS

Full Name

c/o PINSENT MASONS LLP

Address

141 BOTHERWELL STREET, GLASGOW G2 7EQ

EXECUTED as a deed by TILHILL FORESTRY LIMITED acting by

[REDACTED]

Director

GEORGE MURPHY McROBBIE

Full Name

in the presence of

[REDACTED]

Witness

ANDREW JAMES ROBERT HUDSON

Full Name

c/o TILHILL, KINGS PARK HOUSE,

Address

LAURELHILL, STIRLING, FK7 9NS

These are the Rules of the UPM-Kymmene UK Pension Scheme referred to in the foregoing Trust Deed by UPM-KYMMENE (UK) LIMITED of the first part, DAVID GRAEME CHALMERS, RUSSELL JOHN MOORE, JOHN BROWN, RONALD STEVENSON, GRAHAM HOUGH and GERALDINE BUCHANAN of the second part and TILHILL FORESTRY LIMITED of the third part dated 9 December 2013

THE RULES OF THE UPM-KYMMENE UK PENSION SCHEME

PART 1 – GENERAL RULES

Section A: Definitions and Interpretation

1 Definitions and interpretation

1.1 The following words and expressions used in the Rules shall have the following meanings subject to rule 1.2 (Principles of interpretation), all unless the context otherwise requires or otherwise stated:

"**1993 Act**" means the Pension Schemes Act 1993. Words and expressions defined in the 1993 Act it will have the same meaning when used in the Rules in the context of Contracting-Out Requirements: subject to the foregoing, words and expressions defined in that Act will have the same meaning in the Rules unless the word or expression is already relevantly defined in the Rules or the context otherwise requires or otherwise stated.

"**1995 Act**" means the Pensions Act 1995.

"**Actuarial Advice**" means advice given by the Actuary.

"**Actuary**" means a Fellow of the Institute and Faculty of Actuaries appointed by the Trustees.

"**Administrator**" shall have the meaning given by Section 270 of the Finance Act 2004.

"**Cash Equivalent**" means the value determined in accordance with the Transfer Requirements of a Member's or Former Spouse's benefits.

"**Company Nominated Trustee**" means any person who is for the time being a Trustee appointed by the Principal Company in accordance with rule 7 and is not a Member Nominated Trustee or Independent Professional Trustee.

"**Company Policy**" means the written policy of the Principal Company effective on the Effective Date and as from time to time thereafter amended by the Principal Company in terms of it covering:

- (a) the amount (if any) of the lump sum benefit on a Member's death in Pensionable Service, according to rule 9.1(a)(i) of Part 2 of the Rules (Money Purchase Rules);
- (b) the amount (if any) of the survivor's pension on the Member's death in Pensionable Service, according to rule 9.1(a)(iii) of Part 2;
- (c) the amount (if any) of the lump sum benefit on a Death Benefit Only Member's death in Service according to rule 9.3(a)(i) of Part 2 of the Rules;

- (d) the rate (if any) of ordinary contributions required to be paid by a Member in active Membership for Pensionable Service, according to rule 2.1 of Part 2, and the extent of any choice available to the Member as to the rate at which he shall pay ordinary contributions;
- (e) the rate (if any) of Employer contributions to be paid according to rule 2.4 of Part 2 in respect of a Member in contributory Membership under rule 2.1 of Part 2; and
- (f) any special conditions applying to the cessation of Employer or Member contributions or both, whether they be payable at a standard or other rate, but so that contributions shall not be paid where this is not permitted by the Rules:

provided that:

- (g) the Trustees have approved the policy to be effective on and from the Effective Date in respect of the above (including any power of amendment in relation to such) and have approved any subsequent variation proposed to the policy by the Principal Company as relevant to the above or to the power of amendment;
- (h) without limiting the discretions of the Principal Company and the Trustees, the rate of Employer contributions may vary according to the rate of ordinary contributions from time to time being paid by the Member, and may vary if Pensionable Service ceases and recommences (whether or not there is any gap between the periods of Pensionable Service);
- (i) the applicable version of the policy shall be that in force on the date of the Member's death or the due date of a Member's or Employer's contribution as appropriate;
- (j) the policy may consist of one or more documents, and the documents and parts of them and the provisions in them may vary in their application to some or all of the Members and of the foregoing benefits; and
- (k) the policy and any amendment of it shall be subject to the requirements of Pensions Law and HMRC Requirements.

"Contracted-out Service" in relation to a Member means his service in any employment (whether or not with the Employers) which is or is treated as contracted-out employment by reference to the Scheme. It does not include any period after he attains pensionable age or for which a contribution equivalent premium has been paid under Part III of the 1993 Act in respect of him. All Contracted-out Service ceased at the end of 31 December 2007, if not already terminated.

"Contracting-Out Requirements" means the requirements of the legislation regulating the contracting-out of occupational pension schemes from the state earnings-related pension scheme and/or the state second pension, as appropriate, and the benefits to be provided by schemes in respect of Contracted-out Service.

"Death Benefit Only Member" means an Employee who is included in the Scheme under rule 24 (Membership etc.) for active Membership but only for cover for lump sum death benefit. In some limited circumstances and according to rule 24 the expression may also include a former Employee where such person was included for such limited active Membership immediately prior to the Effective Date.

The specific benefits in respect of Death Benefit Only Members are described in rule 9.3 of Part 2 of the Rules (Money Purchase Rules), but are subject to the General Rules.

"Death Benefit Salary" means a Death Benefit Only Member's basic annual salary and such consolidated allowances as may be specified by the Principal Company. All other

earnings including unconsolidated allowances, benefits and variable pay are excluded. Death Benefit Salary shall be determined at the date of death.

"Dependant" means for the purposes of the survivor's benefit in rule 9.1 of Part 2 of the Rules (Money Purchase Rules) payable on a Member's death in Pensionable Service, the Member's widow or widower, or surviving civil partner (within the meaning given to that term in the Civil Partnership Act 2004), or any other person who, in the Trustees' opinion, is financially dependent on him for the provision of all or any of the ordinary necessities of life or is financially interdependent with him, provided that:

a survivor of the Member who is under 18 at the time of the Member's death shall only be regarded as a "Dependant" while under the age of 18 or, if the Trustees so decide, over age 18 and under age 21 while in full time educational or vocational training. The limit of 21 shall be increased to 23, but subject to the Trustees' insurance according to rule 9.5 of Part 2 of the Rules (Money Purchase Rules).

"Effective Date" means the date of the Trust Deed adopting the Rules, being 9 December 2013.

"Eligible Employee" means an Employee who fulfils the eligibility conditions specified in rule 24.1 for admission to Pensionable Service (subject to the terms of any waiver under rule 24.1 of such conditions and also subject to any extension of permitted Service on or after the 75th birthday according to the definition of that term). The term **"eligible"** shall be construed accordingly.

"Employee" means an employee of any of the Employers in Service.

"Employers" means the Principal Company and the Participating Employers.

In relation to a person's status as an Employee, **"Employers"** or **"Employer"** means that one of the Employers by which he is for the time being employed.

In relation to a person's status as a Member and unless otherwise indicated, **"Employers"** or **"Employer"** means that one of the Employers by which he is currently employed while an active Member being provided with benefits in respect of current Service, provided that such expressions:

- (a) where he is no longer such an active Member in Service or has died shall mean that one of the Employers by which he was last employed while an active Member, but so that if there is in respect of the Member or former Member no such body (among the Principal Company and the Participating Employers), such expressions shall mean the Principal Company but only for the purposes of powers or discretions vested in the "Employer" or "Employers" under the Scheme Provisions in respect of a Member or former Member and not so as to impose any liability on the Principal Company for the acts, defaults and obligations of any other body; and
- (b) where the Trustees consider this appropriate (and consistent with the principles of the Scheme Provisions) in respect of his benefits from the Scheme in respect of different periods of active Membership, such expressions may mean different bodies.

"Enhanced Money Purchase Member" means a Member who immediately prior to 1 January 2008 was in Pensionable Service accruing Final Salary Benefits or was immediately prior to 1 January 2008 a member in pensionable service under the Raflatac Plan and who in either case is a Member who is or has been in Pensionable Service after 31 December 2007 for retirement benefits under the Money Purchase Rules.

"Final Pensionable Salary in the Raflatac Plan" means:

- (a) in respect of pensionable service in the Raflatac Plan on or after 1 September 1991 and before 6 April 2005, the Member's total earnings, less any overtime earnings, in the tax year ending on 5 April immediately prior to the Renewal Date (defined in the rules of the Raflatac Plan as "6 April 1985 and any subsequent 6 April"), before the deduction of contributions to the Raflatac Plan, but otherwise as taken into account for employment income tax purposes;
- (b) in respect of pensionable service in the Raflatac Plan on or after 6 April 2005 and before 6 April 2006, the Member's total earnings, less any overtime earnings. If a Member is entitled to receive a group performance related bonus, it will not be included for Final Pensionable Salary in the Raflatac Plan, but any amount that the Member would otherwise have received as profit related pay will be included;
- (c) in respect of pensionable service in the Raflatac Plan on or after 6 April 2006 but prior to 6 April 2007, the Member's total earnings, less any overtime earnings in the tax year ending on 5 April immediately prior to that Renewal Date. If a Member is entitled to receive a group performance related bonus, it will not be included for Final Pensionable Salary in the Raflatac Plan, but any amount that the Member would otherwise have received as profit related pay will be included; and
- (d) in respect of pensionable service in the Raflatac Plan on or after 6 April 2007 and before 1 January 2008, the Member's basic salary including shift allowance from the Member's Employer in the tax year ending on 5 April immediately prior to that Renewal Date:

subject to the conditions set out in the rules of the Raflatac Plan dated 29 December 1995 (as amended).

"Final Salary Benefits" means the benefits accrued under the Scheme in respect of Pensionable Service before 1 January 2008 other than under one or both of Appendix E or L of the Old Scheme Documentation:

provided that for the purposes of Part 3 of the Rules (Death Benefits Rules – Legacy Death Benefits) such meaning shall be qualified so as only to include such Final Salary Benefits as are within the scope of Part 3 according to rule 1 of that Part.

"Final Salary Deferred Member" means a Member who has accrued Final Salary Benefits which remain under the Scheme at his death and who was not a Final Salary Pensioner then. (Reference to "Final Salary Benefits" shall be only to such benefits to the extent they are within the scope of Part 3 of the Rules (Death Benefit Rules – Legacy Death Benefits) according to rule 1 of that Part.)

"Final Salary Pensioner" means a Member who has accrued Final Salary Benefits and who on the date of death:

- (a) had taken pension in respect of these benefits; or
- (b) was entitled to take pension in respect of these benefits, taking account of the Old Scheme Documentation and whether he was in or not in Service and his status in respect of these benefits as determined by the Trustees, and without needing the consent of all or any of the Trustees, Principal Company, and Employer.

(Reference to "Final Salary Benefits" above shall be only to such benefits to the extent they are within the scope of Part 3 of the Rules (Death Benefit Rules – Legacy Death Benefits) according to rule 1 of that Part.)

"5 Year Guaranteed Pension Payment" means a lump sum equal to the balance of the pension which would have been payable to a Member in respect of his Final Salary Benefits had his pension come into payment at death and he survived for 5 years thereafter all

according to the Old Scheme Documentation, or the remainder of the 5 year period in respect of his Final Salary Benefits if his pension had already commenced. In all cases the pension shall be assumed to remain unchanged in amount except to the extent that the Old Scheme Documentation provides that the relevant payment guarantee should take into account prospective increases to the Member's pension after death for the balance of the 5 year period. The lump sum shall be adjusted by the Trustees as they deem to be appropriate subject to Pensions Law, where the relevant Final Salary Benefits came (or are treated as having come) into payment with more than one commencement date.

In regard to any lump sum benefit based on Pensionable Salary and payable on a Member's death in Pensionable Service (according to rule 9.1 of Part 2 of the Rules – Money Purchase Rules) but only to the extent of any excess of such amount over any 5 Year Guaranteed Pension Payment, where under the Merger Agreement the Member has pension benefits in respect of rights transferred from the Raflatac Plan and he is an Enhanced Money Purchase Member, the following special provisions shall apply. The "5 Year Guaranteed Pension Payment" shall include any lump sum formerly provided under the rules of the Raflatac Plan and payable under a guaranteed payment period attaching to such Member's pension in so far as the pension would in the Trustees' opinion have been reckonable as "Final Salary Benefits" had it accrued in respect of Pensionable Service under the Scheme.

(Reference to "Final Salary Benefits" above shall be only to such benefits to the extent they are within the scope of Part 3 of the Rules (Death Benefit Rules – Legacy Death Benefits) according to rule 1 of that Part.)

"Former Spouse" means an individual to whom a Pension Credit has been allocated in relation to the Scheme.

"Former Spouse Participant" is a Former Spouse who participates in the Scheme. For this purpose the Former Spouse Participant must participate in the Scheme either:

- (a) solely for the provision of a Pension Credit Benefit; or
- (b) for the wholly separate provision of a Pension Credit Benefit, where benefits accrue or have accrued to that individual under the Scheme for any other reason.

"Fund" has the meaning given to that term in rule 2.1.

"General Rules" means the provisions in Part 1 of the Rules.

"HMRC" means Her Majesty's Revenue and Customs or, as relevant, its predecessor, the Board of the Inland Revenue.

"HMRC Requirements" means the requirements and rules which have to be complied with by pension schemes registered with HMRC under Part 4 of the Finance Act 2004 if payments by such schemes to or in respect of members including transfer payments to and from the relevant scheme are not to be unauthorised member payments in relation to the scheme and those requirements and rules which need to be complied with to avoid prejudicing registration of the relevant scheme. Expressions like "meeting" or "complying" or "conflicts" with or being "subject to" HMRC Requirements and expressions analogous to them in the opinion of the Trustees shall be construed accordingly.

"Incapacity" means that the Member's physical or mental condition is such the "ill-health condition" in Paragraph 1 of Schedule 28 to the Finance Act 2004 is met.

"Independent Professional Trustee" means any person or body corporate who is for the time being an independent Trustee appointed by the Principal Company in accordance with rule 7.

"Insurance Company" has the same meaning as in Section 275 of the Finance Act 2004, subject to any further requirements of Pensions Law.

"Life Cover Expiry Date" means the later of the day before:

- (a) the Member's 65th birthday; and
- (b) the date on which a Member attains state pensionable age, being the pensionable age applicable to him in accordance with the rules in paragraph 1 of Schedule 4 to the 1995 Act:

provided however that where a Member at the Effective Date has attained both of the dates in (a) and (b), references in the Rules to the "Life Cover Expiry Date" in relation to him shall be disregarded.

"Member" means any person who has been admitted to the Scheme for benefits and is in membership of the Scheme for such according to rule 24. **"Membership"** means the status of being a Member. **"active Member"** means a Member who at the relevant time is in Pensionable Service, or being provided only with cover for lump sum death benefit as a Death Benefit Only Member. **"active Membership"** means the status of being an active Member.

"Member Nominated Trustee" means any person who is for the time being a member nominated trustee (within the meaning of Section 241 of the Pensions Act 2004) of the Scheme.

"Merger Agreement" means the deed entered into by the Principal Company, UPM Raflatac Limited, the trustees of the Scheme and the trustees of the Raflatac Plan agreeing to the merger of the Raflatac Plan with the Scheme with effect from 1 May 2012, such deed being dated 28 March 2012 as amended by agreement dated 5, 10 and 16 April 2012.

"Money Purchase Account" means in relation to a Member with money-purchase retirement benefit accrual under Part 2 of the Rules (Money Purchase Rules) or, prior to the Effective Date, Appendix E or L of the rules adopted on 9 November 2001 as amended (being part of the Old Scheme Documentation) or both, such one or more notional accounts each of an amount determined by the Trustees (having taken such Actuarial Advice as they consider necessary) as representing the accumulated value of:

- (a) the contributions made by and in respect of him to the Fund for retirement benefits under Part 2 and Appendix E or L; and
- (b) any transfer of money or other assets into or within the Scheme in respect of his accrued retirement benefits which he and the Trustees agree shall be notionally credited to the Money Purchase Account:

all of the foregoing being adjusted to take account of:

- (c) investment performance;
- (d) rule 3 of Part 2 (Investment), and the equivalent provision in Appendix E and L in respect of time before the Effective Date; and
- (e) any pension debit under a Pension Sharing Order:

provided that:

- (f) any payments treated under Part 2 or Appendix E or L as voluntary contributions to the Scheme, and any transfer under (b), shall each be credited to separate

notional accounts from which Member ordinary or Employer contributions to the Scheme under Part 2 and Appendix E and L are excluded; and

- (g) the Trustees generally shall administer the accounts underlying the Money Purchase Account to facilitate the operation of Part 2 and compliance with Pensions Law.

"Money Purchase Assets" means the assets, policies and other monies held in the Fund which the Trustees on such Actuarial Advice as they deem necessary and according to Pensions Law consider to represent or be attributable to their liabilities in respect of money purchase benefits. The expression shall include "Money Purchase Accounts" as from time to time in force under Appendices E and L of the rules adopted on 9 November 2001 as amended (being part of the Old Scheme Documentation) and Part 2 of the Rules (Money Purchase Rules) and any assets which would be excluded from the application of Section 73 of the Pensions Act 1995 if the Scheme were to terminate. Where Members' voluntary contributions are invested by the Trustees in a policy effected with an insurance company or account with a building society under which benefits are allocated to individual Members or their survivors, "Money Purchase Assets" shall also include the policy or account to the extent it is from time to time so allocated.

"Money Purchase Rules" means the provisions of Part 2 of the Rules (Money Purchase Rules), and the provisions of Appendices E and L of the rules adopted on 9 November 2001 as amended (being part of the Old Scheme Documentation), all in so far as the foregoing relate to money-purchase retirement benefits in respect of a Member.

"Notional Member Contributions" means in respect of the period during which a Member is in Pensionable Service under Part 2 of the Rules (Money Purchase Rules) and is a Salary Sacrifice Member, the amount of ordinary contributions which would have been payable by him had he not been a Salary Sacrifice Member:

provided that where he would have had a choice as to the level of Member ordinary contribution if he had not been a Salary Sacrifice Member then as part of the Salary Sacrifice Arrangement he shall be required to make such a notional choice so as to allow the determination of the level of the Notional Member Contributions (with such choice being variable by the Member according to the provisions of Part 2, the Company Policy and the terms of the Salary Sacrifice Arrangement).

"Normal Retirement Date" means such birthday of the Member or other date as is determined by the Trustees subject to Pensions Law to be applicable to the Member according to the birthday or other date prescribed as the "Normal Retirement Date" in the relevant Scheme Provisions (or the "Normal Pension Date" in the case of the rules of the Raflatac Plan) and according to such other document the Trustees are required by Pensions Law to take into account, provided that:

- (a) for the purposes of benefits provided to an active Member under Part 2 of the Rules (Money Purchase Rules) and under Appendix E of the Old Scheme Documentation, "Normal Retirement Date" means the Member's 65th birthday unless (and subject to Pensions Law) the Employer has requested and the Trustees and Principal Company have agreed that another date consistent with HMRC Requirements shall apply, in which event that date shall be the Normal Retirement Date; and
- (b) more than one birthday or date may apply as the "Normal Retirement Date" in respect of a Member (as derived under this definition in rule 1.1) where the Trustees consider this appropriate and consistent with Pensions Law in respect of Scheme benefits for different periods of service or retirement benefits under different Scheme Provisions for the same service.

"Old Scheme Documentation" means the provisions of the Scheme as set out in the Deed of Consolidation and Amendment dated 9 November 2001 with rules attached as amended

from time to time prior to the Effective Date and relevant in the circumstances in which the expression is used.

"Participating Employer" means any company which has entered into a supplemental deed in accordance with rule 18.1 and meets HMRC Requirements.

"Pensionable Salary" means in respect of a Member in Pensionable Service under Part 2 of the Rules (Money Purchase Rules) the Member's basic annual salary and such consolidated allowances as may be specified by the Principal Company. All other earnings including unconsolidated allowances, benefits and variable pay are excluded. If, and so long as, he is a Salary Sacrifice Member, any reduction in Pensionable Salary which results from his status as a Salary Sacrifice Member at any relevant time shall be ignored so that his Pensionable Salary shall be the amount as certified by his Employer which it would have been if he had not been a current participant in the Salary Sacrifice Arrangement.

Pensionable Salary shall be determined at the date of death, and on the relevant dates for determination of contributions with pro-rating (for the purpose of contributions) of the annualised reckonable earnings as determined by the Trustees and the Employer.

"Pensionable Service" means an Employee's Service after joining the Scheme in respect of which Service contributions are paid under Part 2 of the Rules (Money Purchase Rules) for the provision of retirement benefits until the effective time of any opting-out by a Member from the Scheme for such accrual of retirement benefits or the time retirement benefits otherwise cease to accrue in respect of current Service, whichever is the earlier, together with any further period of Service prior to the Effective Date which ranks as "Pensionable Service" in terms of the Old Scheme Documentation, provided that but subject to Pensions Law:

- (a) Pensionable Service shall cease at latest at the effective time (as determined by the Trustees) of a Member taking all or part of his retirement benefits if any accrued under Part 2 of the Rules or taking a transfer in respect of all or part of such benefits; and
- (b) Pensionable Service under Part 2 shall not continue after the Member is required under the Rules to leave or is deemed to have left Pensionable Service or Service or both.

An Employee may be eligible for readmission to Pensionable Service according to rule 24 (Membership etc.).

"Pension Commencement Lump Sum" means a lump sum which is a "pension commencement lump sum" under Part 1 of Schedule 29 to the Finance Act 2004 including where the Member is entitled to receive a higher lump sum under Paragraphs 24 to 34 of Schedule 36 to the Act (and shall include where so determined by the Trustees any payment under Part 4 of the Registered Pension Schemes (Authorised Payments) Regulations 2009).

"Pension Credit" means a credit under Section 29(1)(b) of the Welfare Reform and Pensions Act 1999.

"Pension Credit Benefit" in relation to a scheme, means the benefits payable under the scheme to or in respect of a person by virtue of rights under the scheme attributable (directly or indirectly) to a Pension Credit.

"Pension Sharing Order" means any order, provision or agreement as referred to in Section 28(1) of the Welfare Reform and Pensions Act 1999.

"Pensions Law" means the requirements of the laws governing occupational pension schemes including Contracting-Out Requirements.

"Pensions Tax Law" means the tax laws applicable to registered pension schemes.

"Potential Service" means ranking Pensionable Service for Final Salary Benefits prior to 1 January 2008 according to the Old Scheme Documentation (where the Member was in Pensionable Service for Final Salary Benefits on 31 December 2007) plus the potential Service of such a Member to Normal Retirement Date which would have qualified for such benefits under the Old Scheme Documentation provided that actual Pensionable Service has been continuous. (Reference to "Final Salary Benefits" above shall be only to such benefits to the extent they are within the scope of Part 3 of the Rules (Death Benefit Rules – Legacy Death Benefits) according to rule 1 of that Part.)

"Preservation Requirements" means the requirements relating to the preservation of benefits contained in Chapter I of Part IV of the 1993 Act.

"Principal Company" means UPM-Kymmene (UK) Limited or another company which has entered into a covenant to fulfil the liabilities and obligations of the Principal Company under the Scheme and which has been appointed according to rule 18.6 to fulfil the role of "Principal Company" under the Scheme Provisions.

"Qualifying Conditions" means in respect of a Member who has been in Pensionable Service under the Money Purchase Rules that:

- (a) a Member has at least two years' qualifying service for retirement benefits in respect of the Scheme in terms of the Preservation Requirements;
- (b) a transfer payment in respect of his rights under an occupational or personal pension scheme has been made into the Scheme; or
- (c) the Preservation Requirements or other Pensions Law require the preservation of the Money Purchase Account in respect of a Member on cessation of Pensionable Service before Normal Retirement Date.

"Raflatac Plan" means the UPM Raflatac Limited Pension Plan.

"Rules" means the Parts 1, 2, 3, 4 and 5 of these Rules of which this rule 1 forms part (including any appendices to these rules) and any alterations or additions to them made under the powers contained in the Rules or under powers conferred by statute. Parts 4 and 5 are however only for reference and their inclusion shall not have any effect in law.

"Salary Sacrifice Arrangement" means any arrangement from time to time operated by an Employer under which:

- (a) a Member accepts a lower level of salary or earnings than would otherwise apply;
- (b) his Employer (at its discretion) agrees to provide some other benefits to or for him (which may consist of the Employer paying contributions to the Scheme in place of the contributions which would otherwise have been payable by the Member); and
- (c) the Employer agrees with the Member that the arrangement shall be a "Salary Sacrifice Arrangement" for the purposes of the Scheme.

"Salary Sacrifice Member" means at any time a Member who is actively participating in a Salary Sacrifice Arrangement.

"Scheme" means the UPM-Kymmene UK Pension Scheme (formerly known as the UPM-Kymmene Limited Pension Scheme and the Kymmene UK plc Pension Fund).

"Scheme Provisions" means such of the Rules, Old Scheme Documentation and (as regards benefits required to be provided by the Scheme) the rules of the Raflatac Plan

which the Trustees deem applicable at any relevant time according to the context in which the expression is used and any specific requirements of such provisions (and the Trust Deed adopting the Rules) in regard to their applicability. The requirements of any relevant interpretation provisions (including rule 1.2) shall apply for the purposes of the foregoing definition of Scheme Provisions.

"Service" means continuous service with the Employers provided that no service shall be counted more than once. In any case of doubt or dispute as to whether a person is or is not in the service of a particular Employer or as to the duration of such service the decision of the Principal Company shall be conclusive.

If a Member leaves Service and after a break re-enters Service his entitlement under the Scheme shall be determined separately in respect of each period of Service except as required by Pensions Law or for compliance with HMRC Requirements for the determination of benefits: the interval between the periods of service shall not count towards Pensionable Service except as required by Pensions Law or the Scheme Provisions.

Service shall cease and the Member shall be deemed to have left Service no later than the day before his 75th birthday or such later date as the Trustees and Principal Company may agree on request by the Employer.

"Transfer Requirements" means the provisions of Pensions Law relating to the transfer of pension benefits from one pension scheme or arrangement to another.

"Trivial Amount" in relation to the amount of a pension means a pension where the small amount of it or the commutation value of it is so small that the pension may be fully commuted for a lump sum cash payment in compliance with HMRC Requirements (after taking account of other benefits as required by HMRC Requirements).

"Trivial Commutation Lump Sum" shall have the meaning given by Part 1 of Schedule 29 to the Finance Act 2004 (and shall include where so determined by the Trustees any payment under Part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009 where paid to the Member).

"Trivial Commutation Lump Sum Death Benefit" shall have the meaning given by Part 2 of Schedule 29 to the Finance Act 2004 (and shall include where so determined by the Trustees any payment under Part 2 of the Registered Pension Schemes (Authorised Payments) Regulations 2009 where not paid to the Member).

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

1.2 Principles of interpretation

- (a) The General Rules shall apply as relevant in respect of all benefits and beneficiaries under the Scheme so far as consistent with Pensions Law. The Old Scheme Documentation, Part 2 of the Rules (Money Purchase Rules), Part 3 of the Rules (Death Benefit Rules – Legacy Death Benefits) and the rules of the Raflatac Plan shall be subject to the General Rules.

The Old Scheme Documentation shall be subject to Part 3 of the Rules (Death Benefit Rules – Legacy Death Benefits).

The above Scheme Provisions shall apply subject to the Trust Deed adopting the Rules in the event of any inconsistency.

- (b) Any reference in the Rules to a specific rule shall unless otherwise indicated be to the rule as so identified in the part of the Rules in which the reference is situated.

- (c) Unless the context otherwise requires or otherwise stated, words (other than the word "male") importing the masculine shall include the feminine and words importing the singular shall include the plural and vice versa.
- (d) Any reference to any enactment shall include delegated legislation under it and any reference to any enactment or delegated legislation shall include a reference to any statutory amendment or re enactment or re-making of it for the time being in force and where appropriate any earlier or later equivalent or related legislation including delegated legislation.
- (e) Unless the context otherwise requires or otherwise stated, words and expressions defined in Pensions Tax Law have the same meaning in the Rules.
- (f) References to statute or delegated legislation shall where relevant be deemed to be a reference to the equivalent statute or delegated legislation applicable in Northern Ireland and (d) shall apply to such deemed references as appropriate.
- (g) References to "money purchase" shall include retirement benefits which may consistently with Pensions Law be described as "defined contribution" or "DC".

Section B: Trust Provisions

2 The Fund

- 2.1 The Fund shall consist of all contributions and transfers of money or other assets made or to be made to it in accordance with the Scheme Provisions (and predecessors to them) or otherwise and all monies held for the purposes of the Scheme and all investments, policies, assets and property for the time being representing or derived from the same including all income, profits and accretions to the Fund whether arising from investments or not and any donations, legacies or gifts.
- 2.2 The Trustees shall hold the Fund upon irrevocable trusts subject to the Scheme Provisions all as amended from time to time.
- 2.3 No Member, beneficiary or other person shall have any right or interest in any particular asset or part of the Fund. Any rights a Member, beneficiary or other person may have against the Scheme or the Trustees shall lie against the Fund as a whole.

3 Investments

- 3.1 The Fund may be applied in the purchase or other acquisition of such stocks, funds, shares, securities, pensions, annuities or investments or assets or property of whatsoever nature (and whether real or personal) and wheresoever situated and whether involving liability or not and whether producing income or not or upon such personal credit with or without security as the Trustees shall (subject to the restrictions imposed by Pensions Law and to HMRC Requirements but otherwise without regard to the law on the application of trust assets) in their absolute discretion think fit to the extent that the Trustees shall have the same full and unrestricted powers of investing, disposing, realising, converting, applying, varying and transposing investments, assets, contracts, monies and other elements of the Fund in all respects as if they were absolutely entitled to the Fund and the elements of it.
- 3.2 Without prejudice to the generality of rule 3.1, the Fund may (subject to Pensions Law and HMRC Requirements) be:
- (a) placed or retained upon deposit or current account at such rate of interest (if any) and upon such terms as the Trustees shall think fit with any bank, investment company, building society, local authority, finance company or any Insurance Company or other company or institution;
 - (b) applied in any type of unit trust or collective investment scheme which is empowered to transact business with the trustees of occupational pension schemes which are registered pension schemes;
 - (c) applied in underwriting or sub-underwriting new issues of stocks and shares;
 - (d) used to pay the premiums on any insurance, assurance, pension or annuity policy the proceeds of which will fall to meet all or part of any benefit payable or contingently payable pursuant to the Scheme Provisions, whether or not such policy is in the name of the Trustees or a beneficiary or is assigned by the Trustees to a beneficiary;
 - (e) applied in or upon any stocks, shares or securities of the Principal Company and Participating Employers; and
 - (f) used to acquire, improve, repair or develop land and other property.

- 3.3 The Trustees shall have power in applying the Fund under the foregoing powers in rule 3 and under their powers in the Rules and in law to grant any indemnity or guarantee or give any undertaking which they consider necessary or expedient in furtherance of their said powers and to bind the Scheme to give effect to it.
- 3.4 This rule 3 shall be read subject to the provisions of rule 3 of Part 2 (Money Purchase Rules, Investment).

4 **Appointment of nominee**

Subject to Pensions Law, investments and other applications of the Fund may be made or taken by the Trustees either in their own name or in the name as nominee for them of any corporate body approved by the Principal Company. In the event of such use of a nominee, the corporate body may comply with any direction issued to it by the Trustees or their delegate concerning the investments or other applications of the Fund, the capital and income of it and any rights attaching to them without being obliged to ascertain whether or not such directions are in accordance with the Rules.

5 **Borrowing powers**

Subject to the restrictions imposed by Pensions Law and to HMRC Requirements, the Trustees may borrow money for the purposes of the Scheme and may secure repayment of it in such manner as they think fit by mortgaging or charging all or part of the Fund.

6 **Purchase of annuities**

The Trustees acting on Actuarial Advice may if they consider it expedient purchase an annuity or pension from an Insurance Company (or other body which complies with HMRC Requirements and Pensions Law) for the purpose of meeting their obligation to pay any pension or other benefit which has then or will at a specified date become payable to any Member or any pension, annuity or allowance payable to a person on the death of a Member. The policy issued by the Insurance Company or other body may be in the name of a beneficiary or issued to the Trustees and may be assigned to a beneficiary by the Trustees.

7 **Appointment and removal of Trustees**

- 7.1 Subject to Pensions Law, the Principal Company may at any time by deed or such other document as it may determine:
- (a) appoint one or more new or additional Trustees;
 - (b) remove one or more of the Trustees from office.
- 7.2 The Principal Company shall ensure that, unless a body corporate is appointed to act as a sole Trustee under rule 7.3, the number of Trustees shall not be less than three.
- 7.3 Subject to rule 7.4, the Principal Company may at its discretion appoint a body corporate to act as a Trustee or the sole Trustee whereupon the powers, duties, authorities and discretions of the Trustees as regards such body corporate shall be exercisable by the board of directors of such body corporate or by any officer properly appointed by it.
- 7.4 If Section 241 (the "**MNT Requirements**") or Section 242 (the "**MND Requirements**") of the Pensions Act 2004 (together the "**MNT/MND Requirements**") applies to the Scheme, it applies on the footing that:
- (a) unless the Principal Company otherwise agrees, then under any appropriate arrangements under the MNT/MND Requirements as relevant each of the Principal Company and the Employers requires that to qualify for nomination as a

member-nominated trustee or member-nominated director a person who is not a Member must be approved in writing by the Principal Company; and

- (b) any person who is nominated and selected as a member-nominated trustee under the MNT Requirements shall be appointed a Trustee by the Principal Company and such appointment shall have effect from the beginning of the period applying to that person as specified in the said arrangements made under the MNT Requirements and the said person shall cease to be a Trustee from the earlier of when those arrangements or Pensions Law provide for him to cease to be Trustee.

7.5 The Employers and the Trustees shall comply with their duties under Part 5 of the Pensions Act 2004 and otherwise under Pensions Law in relation to member-nominated trustees or member-nominated directors and ensure that there are recorded in writing the arrangements which are made under such law in relation to the appointment to, and holding and vacation of, such office.

7.6 A Trustee may resign office by notice in writing to the Principal Company in which case the Principal Company shall forthwith remove the Trustee from office.

7.7 Without limiting their duties under law, a person or body ceasing to be a Trustee or member-nominated director shall execute such documents and do such things which the Principal Company or the remaining Trustees (and any new Trustees) may consider desirable or expedient in relation to the vacation of such office.

8 **Trustees' powers**

8.1 In any case of doubt or dispute about the meaning or effect of any of the Scheme Provisions (including the rules of the Raflatac Plan) the matter shall be referred for interpretation to the Trustees whose decision, after taking appropriate professional advice, shall be final and conclusive.

8.2 No decision of or exercise of a power by the Trustees shall be invalidated or questioned on the ground that any Trustee (or in the case of a corporate Trustee any member of its board of directors or any officer properly appointed by it) had a direct or personal interest in the result of any such decision or in the exercise of any such power.

8.3 The Trustees shall have and be entitled to exercise all powers, rights, authorities and discretions in connection with the Scheme requisite or proper or necessary or which they reasonably deem expedient to enable them to carry out any transaction, act, deed or thing arising under or in connection with the Scheme.

8.4 Except as is expressly provided in the Scheme Provisions, the consent of the Employers, Members or beneficiaries or potential such persons or any of them shall not be necessary in connection with the giving of any receipt or discharge or the making of any payment or the doing of any act or thing made or done by the Trustees in the exercise of their powers or in connection with the Scheme.

8.5 Persons dealing in good faith with the Trustees in relation to the Scheme shall not be entitled to, or under any obligation to, enquire of the Trustees about the application of monies paid by them to the Trustees but shall be completely exonerated by the Trustees' receipt.

9 **Trustees' indemnities**

9.1 No Trustee shall as trustee of the Scheme or in respect of the exercise or purported exercise of the rights or powers hereunder incur any personal responsibility or be liable for anything whatsoever except for breach of trust knowingly and intentionally committed by him

or for matters in respect of which liability cannot be excluded or restricted by virtue of Pensions Law.

9.2 Except in relation to:

- (a) liability for breach of trust knowingly and intentionally committed;
- (b) liability which by virtue of Pensions Law cannot be excluded or restricted; and
- (c) such fines or penalties as are specified in or referred to in Section 256 of the Pensions Act 2004:

the Trustees shall be entitled to be indemnified out of the Fund in priority to any payment to or in respect of the Members or other beneficiaries against all liabilities and expenses incurred by them in the execution or purported execution of the powers, trusts, authorities and discretions vested in the Trustees by the Scheme Provisions, law and otherwise and against all proceedings, costs, charges, expenses, claims and payments in respect of any matter or thing done or omitted in any way relating to the Scheme or relating to or arising out of the Scheme Provisions, law or otherwise.

The Trustees may retain and pay out of the Fund the amount of any money payable to them under the indemnity in this rule 9.2 and the Trustees shall have a prior lien on the assets in the Fund for all money payable to them under this rule 9.2 or otherwise howsoever.

9.3 The Trustees may (and shall if the Principal Company so directs) at the expense of the Scheme insure against loss caused by any of the Trustees and (for the benefit of each of the Trustees) against liability for breach of trust (except to the extent attributable to their acts or omissions knowingly and intentionally committed in bad faith or to the extent that such insurance relates to such fines or penalties as are specified in or referred to in Section 256 of the Pensions Act 2004 or, in the case of a professional Trustee, to the extent attributable to negligence in the course of his or its trusteeship.)

9.4 The foregoing provisions of this rule 9 shall mutatis mutandis apply to any director or officer of a body corporate acting as Trustee, any professional adviser appointed by the Trustees and any corporate body in whose name investments or other applications of the Fund have been made or taken and any director or officer of it, and any person to whom any of the powers, duties, authorities and discretions of the Trustees have been delegated in accordance with the Scheme Provisions and Pensions Law.

10 **Decisions of Trustees**

10.1 The Trustees shall meet and conduct their business at such times and at such places as they shall decide. Three of the Trustees present at such a meeting shall form a quorum if at least one of those Trustees is a Member Nominated Trustee or an Independent Professional Trustee and at least one of those Trustees is a Company Nominated Trustee.

The chairman of the Trustees shall be appointed by the Principal Company. If the chairman of the Trustees is not present at any quorate meeting of the Trustees then the chairman of that meeting shall be appointed by the Trustees present at that meeting.

The decision of the majority of the Trustees present at a duly constituted meeting of the Trustees shall be binding on all of the Trustees. In the event of an equality of votes for and against a resolution being voted upon at such a meeting, the chairman of the meeting shall, subject to Pensions Law, have a second or casting vote.

A Trustee may participate in a meeting of the Trustees by means of conference telephone, internet or video link or similar communication equipment so that, provided all persons participating in the meeting in person or by such other means can hear and speak to each other, the Trustee in question shall be deemed to be present in person at the meeting.

- 10.2 Subject to Pensions Law, the Trustees may make whatever arrangements they consider appropriate for the making and recording of their decisions.
- 10.3 A written decision shall be as valid as a decision made at a meeting if all of the Trustees signed the decision or a copy of it, although the signatures do not need all to be on the same written document as long as the agreement of all the Trustees to the same decision is evident. Confirmation of the signature by a Trustee of such a document may be provided by a copy of the signed document sent by fax or emailed pdf or similar means.

11 **Accounts**

The Trustees shall keep such accounts, entries, registers and records as are necessary for the proper administration of the Scheme and shall cause the said accounts to be audited annually by an appropriately qualified accountant appointed by them.

12 **Actuarial investigations**

- 12.1 Actuarial investigations into the condition of the Scheme shall be made by the Actuary at intervals of not more than three years. In the event of the Trustees receiving Actuarial Advice that any alteration in the provisions of the Scheme is desirable then the Trustees in consultation with the relevant Employers (as determined by the Trustees) shall take such steps as they shall consider appropriate to ensure that such alterations or additions shall be made as the Trustees and the relevant Employers (as determined by the Trustees) may jointly consider expedient.
- 12.2 If any actuarial investigation of the Scheme discloses an actuarial surplus of assets over liabilities the Trustees may on Actuarial Advice and with the consent of the Principal Company take any one or more of the following steps:
- (a) they may make a reduction in, or suspension of, contributions by Employers payable under the provisions of rule 25.3 and Part 3 of the Pensions Act 2004, and contributions by Employers to the Fund under rule 2 of Part 2 of the Rules (Money Purchase Rules) other than in respect of a Salary Sacrifice Arrangement, or any of the foregoing;
 - (b) they may make a reduction in, or suspension of, the ordinary contributions by Members payable under the provisions of rule 2 of Part 2 of the Rules (Money Purchase Rules);
 - (c) they may provide additional benefits under the Scheme according to rule 34 (Discretionary benefits);
 - (d) they may (after complying with Pensions Law) pay to the Employers a refund of monies, provided that the said refund shall be subject to HMRC Requirements and shall be subject to any directions of the relevant Employers (as determined by the Trustees) and provided further that the Trustees shall be entitled to deduct from the said refund an amount equal to any tax or charge for which the Trustees are liable or contingently liable to account on the refund.

13 **Professional advice**

The Trustees may in relation to the Scheme rely on the advice or opinion of any advisers appointed by them and (except to the extent that liability cannot be excluded or restricted by virtue of Pensions Law) shall not be responsible for any loss to the Fund occasioned by such reliance or by such advice. The cost of obtaining such advice or opinion (to the extent that it is not otherwise paid) shall form part of the expenses of the Scheme. The Trustees may appoint subject to Pensions Law such professional advisers as they consider to be appropriate, including any lawyer, fund manager, actuary, accountant, medical practitioner, pension consultant or other professional person or any firm or company of which such

foregoing person is a partner or employee or any firm or company providing such professional services where the appointee, and any relevant professional if different, is believed by the Trustees to be of good repute.

14 **Delegation by Trustees**

14.1 The Trustees shall have and may exercise the following powers set out in this rule 14 in addition to all other powers vested in them by the Scheme Provisions or by law. The Trustees may:

- (a) delegate to any person or body appointed by them (whether or not that person or body is one of the Trustees) such of the powers, duties, authorities and discretions conferred by the Scheme Provisions or by law on the Trustees as they may deem desirable or expedient for the convenient administration of the Scheme;
- (b) from time to time in writing authorise such persons as they think fit;
 - (i) to draw cheques on any banking account of the Scheme or to endorse any cheque;
 - (ii) to give receipts and discharges and so that any such receipt or discharge shall be as valid and effective as if it were given by the Trustees and so that the provision of a written authority of the Trustees shall be a sufficient protection to any person taking any such receipts or discharges or otherwise relying upon such authority;
- (c) appoint any one or more of the Employers, or any Insurance Company or other company with which any pension, annuity or assurance or insurance contracts have been effected, as their agent or agents for the purpose of paying pensions or other benefits and the receipt of such Employer or company shall be a sufficient discharge to the Trustees of their liability to pay such pensions or other benefits;
- (d) make such arrangements generally for the administration of the Scheme as they think fit and in particular (subject to the consent of the Principal Company) may employ such agents and staff including a secretary to transact any business of the Scheme including signing certificates and making and receiving payments and granting receipts and discharges, but subject always to the directions and instructions of the Trustees and to such regulations as the Trustees may make from time to time for the purpose of his duties, the remuneration of such person or persons being part of the expenses of the Scheme incurred by the Trustees for its proper administration;
- (e) consult one or more investment managers or financial advisers and (subject to Pensions Law) may delegate to any such investment manager all or any of their powers under rule 3 (investments) in relation to all or part of the Fund and the operation of any bank account.

15 **Trustees' right to charge**

Any Trustee for the time being who or which is engaged in any profession or business shall be entitled directly or indirectly to be paid or benefit from all usual professional or other charges and to retain all usual commissions for work or business done or transacted by him or it or through him or his firm or employer in connection with the trusts of the Scheme whether in the ordinary course of his or its professional business or not and whether or not of a nature requiring the employment of such professional or business person.

16 Expenses of the Scheme

16.1 Unless the Trustees shall from time to time determine otherwise, the Principal Company shall be responsible for the expenses incurred by the Trustees in the administration of the Scheme (other than investment expenses and other expenses in the application of the Fund under rule 3) and shall be entitled to require every other Employer to make an appropriate contribution to such expenses.

Investment expenses and other expenses in the application of the Fund under rule 3 shall be borne by the Fund: provided however that they shall be allocated to the Money Purchase Account of Members as required by rule 3.1 of Part 2 (Money Purchase Rules, Investment) as relevant and, subject to the foregoing, they shall be allocated to Members with money purchase benefits to the extent the Trustees deem such allocation to be appropriate for the determination of benefits in respect of such Members.

16.2 Rule 16.1 does not limit such right (whether under rule 9, Pensions Law, contract or law generally) as any person or body may have to relief from the Fund in respect of any liability, expense or burden.

17 Amendments

The Principal Company may with the consent of the Trustees from time to time without the concurrence of the Members alter or add to the terms, trusts, powers and provisions of the Scheme (including the Rules, Old Scheme Documentation, and the Trust Deed adopting the Rules) and all of the foregoing whether retrospectively or otherwise.

The Principal Company and the Trustees shall forthwith declare such alteration or addition in writing by deed, whereupon the relevant provisions shall stand amended accordingly.

No such alteration or addition under rule 17 shall operate so as to affect in any way prejudicially any pension already being paid in accordance with the Scheme Provisions at the date such alteration or addition takes effect.

The foregoing provisions of this rule 17 shall be unrestricted by any and all of the other provisions of the Scheme.

18 Participation in the Scheme

18.1 Any company may with the consent of the Principal Company and the Trustees, and by entering into a supplemental deed with the Principal Company and the Trustees agreeing (subject to rule 18.5) to observe and perform such of the provisions of the Scheme Provisions as shall apply to it from time to time, become and remain a party to the Scheme provided that and for so long as such participation meets HMRC Requirements. Any costs incurred by the Trustees in relation to the admission of a Participating Employer to participation in the Scheme shall be met by the Participating Employer.

18.2 Unless and until the Principal Company shall from time to time in its absolute discretion determine otherwise and notwithstanding that the Participating Employer may cease to qualify as such, the participation of a Participating Employer in the Scheme shall constitute the Participating Employer's continuing:

- (a) nomination of the Principal Company as the "appropriate person" to act for it for the purpose of Sections 241-243 of the Pensions Act 2004 (member nominated trustees and directors);
- (b) agreement that the Trustees may consult the Principal Company under Section 35 of the 1995 Act (statement of investment principles) to the exclusion of the Participating Employer; and

- (c) nomination of the Principal Company as its representative for the purpose of Section 229 of the Pensions Act 2004 (actuarial matters regarding funding).
- 18.3 The participation of a Participating Employer in the Scheme shall terminate if:
- (a) the Participating Employer terminates its liability to contribute to the Fund and the Trustees decide to terminate its participation in the Scheme in accordance with rule 19.2;
 - (b) the Participating Employer fails to observe and perform the covenants, agreements and provisions relating to it under the Scheme Provisions as relevant and under the supplemental deed referred to in rule 18.1;
 - (c) the supplemental deed referred to in rule 18.1 provides for cessation of participation;
 - (d) the Participating Employer is dissolved or ceases to carry on business (unless its successor in business takes the place of the Participating Employer for all the purposes of the Scheme);
 - (e) the degree of association of the Participating Employer with the Principal Company ceases to be such as enables its participation in the Scheme to be consistent with HMRC Requirements.
- 18.4 If a Participating Employer ceases to participate in the Scheme for any reason, then the Trustees shall retain in the Scheme that part of the Fund and those liabilities relating to its Employees and former Employees. With the agreement of the Principal Company, the Trustees may however decide to set aside for the benefit of the Employees and former Employees of the Participating Employer such part of the Fund as the Trustees on Actuarial Advice shall determine relating to such Employees and former Employees and to deal with that part of the Fund in accordance with rule 20.
- 18.5 An Employer may on first participating in the Scheme or at any later date agree with the Trustees and Principal Company that such participation shall be on conditions which are different from those set out in the Scheme Provisions. Any such conditions shall subject to rule 17 be introduced as amendments to the Scheme Provisions in accordance with that rule and the Scheme Provisions shall apply to the Employer and in respect of Members affected as so amended.
- 18.6 Subject to HMRC Requirements, the Principal Company and the Trustees may by deed agree with a Participating Employer that it should replace the Principal Company as the "Principal Company" of the Scheme.
- 19 Termination of Employer's liability**
- 19.1 An Employer may at any time suspend or terminate its liability to pay contributions to the Fund in respect of its Employees on giving one month's notice in writing to the Trustees of its intention to do so and without the concurrence of the relevant Members or any of them.
- 19.2 In the event of an Employer other than the Principal Company suspending or terminating its liability to pay contributions to the Fund, the Trustees may decide either that:
- (a) the Employer shall continue to participate in the Scheme on the basis that each Member in its employment has ceased to be in Service, or
 - (b) the Employer shall cease to participate in the Scheme and the provisions of rule 18.4 shall apply.

If the Trustees decide that the Employer is to continue to participate they may decide at any time thereafter that the Employer shall cease to participate in the Scheme and the provisions of rule 18.4 shall apply.

- 19.3 Where an Employer ceases to contribute to the Fund or to participate in the Scheme its liability to pay contributions assessed and due before the date of cessation shall not be affected, nor shall any further liability under Pensions Law be affected.

20 Termination of the Scheme

- 20.1 The Scheme shall be terminated and its Fund wound up in accordance with rule 20.4 if:
- (a) the Principal Company terminates its liability to contribute to the Fund unless:
 - (i) a Participating Employer replaces it as the "Principal Company" of the Scheme in accordance with rule 18.6; or
 - (ii) the Trustees at their discretion decide to continue the Scheme for the benefit of existing Members (but with all being deemed to have left Service if otherwise still in Service) and without further liability on the part of the Principal Company;
 - (b) the Principal Company is dissolved or ceases to carry on business unless a Participating Employer replaces it as the "Principal Company" of the Scheme in accordance with rule 18.6;
 - (c) the period specified in rule 22 for the duration of the Scheme shall expire.
- 20.2 The Trustees shall provide to Members and other beneficiaries all notices and information required by Pensions Law.
- 20.3 Before applying the Fund in accordance with rule 20.4 (including where applied due to rule 18.4, or otherwise) and in accordance with Section 73 of the Pensions Act 1995, the Trustees shall be entitled to reserve out of the Fund such amount as they consider may be necessary:
- (a) to meet any expenses of the administration and winding up of the Fund including the cost of insurances or guarantees for the Trustees against claims being made in respect of the Fund after the application of all or part of it;
 - (b) to meet any taxes or other charges for which the Trustees may be accountable and, whether or not incurred before or after the application of rule 20.4; and
 - (c) to make due provision for any indemnity out of the Fund under rule 9 and any outstanding expenses under rule 16.
- 20.4 Where this rule 20.4 is to apply, the Trustees shall after:
- (a) making the reserves mentioned in rule 20.3;
 - (b) making due provision for any lump sums held by the Trustees for distribution following the death of a Member prior to the date of termination and for any payments of benefit under the Scheme Provisions due prior to the date of termination and which remain unpaid (which benefits so provided for shall be paid in accordance with the relevant Scheme Provisions); and
 - (c) applying the value of the Money Purchase Assets in the provision of benefits in accordance with rule 20.10:

apply the Fund (or relevant part of it to be applied under the provisions of rule 20.4) in so far as the residual monies of it will allow in the order specified in rule 20.5.

20.5 The order of application of the residual Fund monies referred to in rule 20.4 is as follows:

- (a) in securing the obligations of the Scheme in accordance with Section 73 of the Pensions Act 1995 (and on the assumption that that Section is applicable if not otherwise the case).

Subject to the foregoing, each benefit (and any reversionary pension contingent on the death of a Member) shall be of the same amount, and so far as reasonably practicable for the Trustees with the same rights, as the corresponding benefit which would have been payable from the Fund had rule 20.4 not been applied.

- (b) in respect of such part of the balance of the Fund then remaining in their hands as the Trustees shall in their discretion and subject to HMRC Requirements decide in augmenting such one or more of the obligations referred to in (a) and the benefits referred to in rule 20.10 and to such extent if any all of the foregoing as the Trustees may determine.
- (c) in paying to the Employers in such proportions as the Trustees consider appropriate any balance of the Fund then unexpended (subject to the due operation of Section 76 of the 1995 Act, compliance with Pensions Law and the deduction of any tax or charge for which the Trustees or Scheme may be liable or contingently liable in respect of such payment).

20.6 Rule 28 (Transfer-out) shall apply to this rule 20 whether or not the securing of any benefit or the making of any transfer payment is made with the consent of the Member or other beneficiary, and such consent shall only be required where required according to rule 28. In securing any benefit or making any transfer the Trustees may assume, subject to Contracting-Out Requirements and Pensions Law, that no marriages or civil partnerships will be created or dissolved after the commencement date of application of rule 20.4, and no children will be born after such date. The Trustees may also arrange that any lump sum death benefit be payable to the beneficiary's legal personal representatives.

20.7 Rule 27 (Commutation) shall apply to the dealing with pension under this rule 20, including the Trustees' powers to require commutation. In addition a Member or a survivor may elect, or the Trustees may require, that in lieu of pension an immediate winding-up lump sum or winding-up lump sum death benefit be paid within the meaning of Parts 1 and 2 respectively of Schedule 29 to the Finance Act 2004 and subject to HMRC Requirements.

20.8 The Trustees may, at their discretion and instead of distributing or applying the Fund in the manner required by rules 20.4 and 20.10 but after the reservations described in rule 20.3, transfer the Fund (or relevant part) after the said reservations to the trustees of another occupational pension scheme which is a registered pension scheme or otherwise meets HMRC Requirements to the intent that subject to the requirements of rule 28 (Transfer-out):

- (a) persons to whom entitlement to receive pension or other benefits from the Fund has arisen shall be entitled to receive the same pensions and other benefits from that other scheme; and
- (b) the Members and other persons entitled to future and contingent pensions and other benefits from the Fund shall be entitled to such rights under the other scheme as may be agreed between the Trustees and the trustees of that other scheme:

provided that where a transfer is made pursuant to this rule 20.8 no Member or other person in respect of whom the Fund or any part of it is so transferred shall have any further right to benefit from the Fund. The receipt of the trustees or administrators of that other scheme

shall be a complete discharge to the Trustees of any liability in respect of such Member or other person under the Fund and the Trustees shall be under no obligation to see to the application of the Fund or any part of it or the interests transferred.

20.9 Without limiting any discharge to the Trustees under law and rule 20.8 and rule 28 (Transfer-out), when the Trustees have disposed of the whole Fund in accordance with rule 20, the Scheme shall be terminated and the Trustees shall be discharged from the trusts in relation to them without the necessity of written discharges or resignations.

20.10 Further to rule 20.4(c), the value of the Money Purchase Assets shall be applied and allocated by the Trustees (subject to Pensions Law and HMRC Requirements) to provide benefits for and in respect of the relevant Members and other beneficiaries to whom the Money Purchase Assets relate, the benefits being determined by the Trustees on such basis as they determine and on receipt of such Actuarial Advice as they consider necessary:

provided that where the voluntary contributions of Members are invested by the Trustees in a policy effected with an insurance company or account with a building society under which benefits are allocated to individual Members or their dependants, the policy or account shall be applied exclusively for the benefit of the Members concerned and their dependants and in satisfaction of their rights to additional benefits in respect of them under the Scheme Provisions.

In acting under rule 20.10, the Trustees shall have the powers conferred by rule 20 and which they would have under Pensions Law were they applying the non Money Purchase Assets of the Fund under rule 20.4 on a termination of the whole Scheme.

20.11 The powers and discretions conferred on the Trustees by rule 20 (and rule 18 on an Employer ceasing to participate) shall be unrestricted by, and supplementary to their powers and discretions under, Sections 73 to 76 of the 1995 Act and Pensions Law.

21 **Acts of Employers**

21.1 Any power, right or discretion conferred on one or more of the Employers by the Scheme Provisions shall unless otherwise expressly provided in them be exercisable in the case of a body corporate by a resolution of its board of directors or a committee of it appointed for the purposes of the Scheme Provisions, or by some person duly nominated in the foregoing manner by the relevant Employers to exercise such powers and discretions. A copy resolution of the board of directors or committee of it signed by the chairman of the meeting shall be sufficient evidence of the exercise of the power or discretion thereby involved.

21.2 The Employers and each of them shall in connection with the administration of the Scheme do all things and give to the Trustees all information in their power or possession which shall reasonably be required by the Trustees.

22 **Duration of the Scheme**

Unless terminated earlier in accordance with rule 20, the trusts of the Scheme shall endure for 80 years from the date of the interim deed by which the Scheme was established which number of years shall constitute the perpetuity period for the said trusts and for such further period if any as may then be lawful and shall then be wound up.

23 **Governing law**

The Scheme and the provisions of it shall be governed by and interpreted according to the laws of England.

Section C: General Benefit Provisions

24 Membership; Cessation of Eligibility; Death Benefit Only Members

24.1 An Employee will be eligible on or after the Effective Date, and subject to rule 24, to enter Pensionable Service for benefits under Part 2 of the Rules (Money Purchase Rules) on the first day of the month after the later of becoming a permanent or temporary Employee and attaining the age of 16, provided that the Member will not have attained his 75th birthday on such date. The Trustees may in respect of a particular Employee waive the eligibility requirements at the request of the Employer and with the consent of the Principal Company.

No other person shall be treated as becoming an Member on or after the Effective Date except:

- (a) by virtue of rule 24.10 as a Death Benefit Only Member;
- (b) as provided in rule 36 (as a Former Spouse Participant) but only for such benefits and with such rights as are prescribed or granted by rule 36 or prescribed by Pensions Law; or
- (c) as the Trustees may determine to be appropriate by virtue of rule 29 (Amalgamation), rule 30 (Transfer-in) or 34 (Discretionary benefits) or otherwise under the Rules and in all cases only for such benefits and with such rights as shall apply under or consequent upon such provisions and Pensions Law.

24.2 Each person who was an active Member immediately before the Effective Date shall remain an active Member on the Effective Date and with no change in the nature of the active Membership. Benefits in respect of such continued active Membership shall only be provided according to the Rules and shall be determined according to whether he is in Pensionable Service or is a Death Benefit Only Member.

24.3 In respect of the transfer of rights from the Raflatac Plan under the Merger Agreement, where a person was treated as a member of the Raflatac Plan (as opposed to being the survivor of a member and entitled to a dependant's pension under the Raflatac Plan), such person was treated with effect on and from 1 May 2012 as a Member of the Scheme.

24.4 If an Eligible Employee does not apply for admission to Pensionable Service at his first opportunity he will only be admitted to Pensionable Service if the Trustees and the Principal Company permit. Where he is admitted to Pensionable Service, his benefits shall be of such amounts and subject to such special conditions as the Trustees and the Principal Company may determine, and subject to the foregoing benefits for active Membership shall be provided according to the Rules.

A Member whose Pensionable Service ceases (although he remains an Eligible Employee) due to his taking (or taking a transfer in respect of) all or part of his retirement benefits accrued under the Money Purchase Rules or due to his opting-out of Pensionable Service shall be treated as not applying at his first opportunity should he seek to be readmitted to Pensionable Service thereafter.

24.5 An Eligible Employee, and a prospective Death Benefit Only Member if the Trustees so determine, must apply for admission to active Membership in writing in such form and manner and accompanied by such information and consents satisfactory to the Trustees as they may reasonably require.

The Trustees may require evidence satisfactory to them of his good health and assurability at normal premium rates: this power does not limit the Trustees' powers under rule 31.7

(Evidence and information). This rule 24.5 is subject to rule 9.5 of Part 2 (Money Purchase Rules) regarding insurance cover.

- 24.6 Membership shall continue for so long as benefits, rights or options continue to be conferred on the Member under the Scheme Provisions.

An active Member in Pensionable Service may by notice in writing given to the Trustees elect to leave active Membership of the Scheme. The Member shall be treated as having left Pensionable Service on the later of the date when such notice was given and the date of expiry of any notice period the Trustees may require (of up to one month).

- 24.7 The Employer may from time to time by notice in writing to the Trustees direct that any person or class of persons specified in that notice shall not be eligible for active Membership or shall cease to be in active Membership (the foregoing being in respect of all benefits which would otherwise be provided under the Scheme or only some of such benefits if the Employer so determines). Any notice given under this rule 24.7 shall have effect notwithstanding the provisions of this rule 24.

- 24.8 The Principal Company may direct (but subject to HMRC Requirements and Pensions Law) that special terms shall apply in respect of an active Member employed or working outside the United Kingdom. If an active Member becomes a "qualifying person" under the Occupational Pension Schemes (Cross-border Activities) Regulations 2005 with the effect that the Trustees would breach Section 287 of the Pensions Act 2004 if they accepted contributions in respect of him, the Member shall be deemed to have left Service.

- 24.9 If a Member in Pensionable Service ceases to be an Eligible Employee while remaining in Service, or if his continued inclusion in the Scheme for such active Membership would be contrary to HMRC Requirements or Pensions Law, he shall be treated as having left Pensionable Service.

An active Member shall be treated as having left Service and provision of cover for all lump sum death benefits discontinued if his continued inclusion in the Scheme for active Membership for any benefits would be contrary to HMRC Requirements or Pensions Law.

- 24.10 Subject to any restrictions imposed on active Membership under this rule 24 and to the Rules generally, each Employee who is not in Pensionable Service for whatever reason shall be eligible for admission to (or as appropriate retention in) active Membership on or after the Effective Date but only as a Death Benefit Only Member provided that he is in Service. The Trustees and Principal Company may however determine that such active Membership be automatically granted for all or some Employees.

In accordance with rule 24.2, if an active Member immediately prior to the Effective Date is not in Pensionable Service and is being provided with cover for lump sum death benefit, from the Effective Date he shall be regarded as a Death Benefit Only Member.

Active Membership as a Death Benefit Only Member shall provide cover for the lump sum death benefit if any specified in rule 9.3 of Part 2 of the Rules (Money Purchase Rules). Such cover shall be provided only according to the Rules. For some specific categories of Member with Final Salary Benefits as identified in rule 9.3, the provision of such cover is not dependent on the Member being in Service.

A Death Benefit Only Member may opt out of such Membership by notice in writing given to the Trustees.

25 **Contributions**

- 25.1 Each Member in active Membership for Pensionable Service shall contribute to the Fund as required by rule 2 of Part 2 of the Rules (Money Purchase Rules).

- 25.2 Each Employer shall contribute in respect of those of its Employees who are in Pensionable Service at the rate required by rule 2 of Part 2 of the Rules (Money Purchase Rules).
- 25.3 Each of the Employers shall contribute to the Fund such amounts (in addition to the amounts referred to in rule 25.2) as may from time to time be required by the Trustees on Actuarial Advice to maintain the benefits of the Scheme in respect of Members employed by such Employer.
- 25.4 The Trustees may at the request of the Principal Company use all or part of any surplus arising (before or after the Effective Date) from the operation of the Money Purchase Rules to meet all or any of the contributions which an Employer would otherwise be required to make under rule 25.3 in respect of the cost to the Fund of insurance for the death benefits in respect of an active Member (in so far as such death benefits are not determined with reference to the value of all or part of the Money Purchase Account).

To the extent any offset is agreed by the Trustees, the relevant Employer's obligation to contribute under rule 25.3 in respect of such insurance shall be reduced, provided that under this power to the Trustees no payment shall be made to an Employer by the Trustees.

- 25.5 Rule 25 shall not operate so as to restrict any liability which any of the Employers may have under Section 75 or 75A of the 1995 Act.
- 25.6 Contributions by the Member shall cease on the cessation of Service but shall cease earlier if so required by the Rules, any Salary Sacrifice Arrangement, Pensions Law or HMRC Requirements.
- 25.7 If the contributions of an Employer or Employee are reduced, suspended, terminated or not paid the benefits under the Scheme Provisions shall be adjusted by the Trustees (on Actuarial Advice if appropriate) subject however to Pensions Law.
- 25.8 The benefits secured by voluntary contributions whether under the Scheme Provisions or as the result of a transfer-in shall not be taken into account for the purpose of calculating as a proportion of a Member's pension the amount of any other benefits payable to or in respect of the Member under the Scheme except to the extent that such benefits are purchased by the voluntary contributions.
- 25.9 A Member may only make voluntary contributions as permitted by Part 2 of the Rules (Money Purchase Rules).

26 Finance Act 2004; HMRC Requirements; Pensions Tax Law; Tax; Pensions Law

- 26.1 The Trustees shall be the Administrator of the Scheme.
- 26.2 Every Member and other beneficiary shall provide to the Trustees on request all information which may be required by the Trustees to ensure compliance by the Scheme with Pensions Law, Pensions Tax Law and HMRC Requirements.
- 26.3 Subject to rules 26.4 and 26.5:
- (a) the Scheme, and the Trustees and Administrator in their administration and management of it, shall comply with HMRC Requirements and Pensions Tax Law and Pensions Law and the Employers shall comply with HMRC Requirements in the exercise of their powers and discretions;
 - (b) the Employers, Members and other beneficiaries and all other persons (other than the Trustees and Administrator) with an interest in or function in relation to the Scheme shall comply with Pensions Law but only in so far as applicable and relevant to any such person or body in the circumstances; and

- (c) if any provision in the Scheme Provisions conflicts with HMRC Requirements, that provision shall be deemed to be amended to the extent necessary to enable the Scheme to comply with HMRC Requirements.
- 26.4 The Trustees may if in their discretion they consider it appropriate to do so and provided that the Scheme's status as a registered pension scheme is not prejudiced:
- (a) choose to provide a benefit from the Scheme which is not consistent with HMRC Requirements; or
 - (b) decide that rule 26.3(c) shall not apply in relation to any particular provision in the Scheme Provisions.
- 26.5 A benefit shall not be payable to or in respect of a Member or other beneficiary if, or to the extent that, payment of that benefit would constitute an unauthorised member payment, or give rise to a scheme sanction charge, unless the Trustees in their absolute discretion decide that rule 26.5 shall not apply and provided that the Scheme's status as a registered pension scheme is not prejudiced. The Trustees may at their discretion replace any part of such unauthorised payment with a benefit meeting HMRC Requirements.
- 26.6 The Trustees and the Principal Company may agree that a benefit or option should be paid or made available to a beneficiary where that benefit or option would be consistent with HMRC Requirements, notwithstanding that, but for rule 26.6, such benefit or option would respectively not be payable or permissible in terms of the Scheme Provisions, and in such event the Trustees, with the agreement of the beneficiary concerned, will permit any such benefit to be paid, or make available to the beneficiary any such option.
- 26.7 If any of the Scheme Provisions contains a prohibition which was required in order to comply with or be consistent with Pensions Law, HMRC Requirements or Pensions Tax Law and such provision is no longer necessary in order to comply with or be consistent with such requirements, the Trustees may, at their discretion, decide that the prohibition shall not apply.
- 26.8 Regarding the restrictions on benefits in the Scheme Provisions derived from pre 6 April 2006 Pensions Tax Law:
- (a) notwithstanding anything in the Old Scheme Documentation to the contrary and with effect from and including 6 April 2006, the benefits payable from the Scheme shall not be subject to:
 - (i) rule 23 of the Old Scheme Documentation (Limits on benefits); nor
 - (ii) the limits (with reference to "permitted maximum" or "Permitted Maximum") specified in the definition of "Final Pensionable Earnings" in Appendix H, and the definitions of "Final Pensionable Salary" and "Pensionable Salary" in Appendix I, of the rules adopted on 9 November 2001 as amended by the Deed of Amendment dated 20 December 2007 (being part of the Old Scheme Documentation):

provided that:

 - (iii) subject to the foregoing disregard of the Old Scheme Documentation, any restriction in the Old Scheme Documentation of the length of reckonable Pensionable Service shall however continue to apply to the calculation of Final Salary Benefits; and
 - (iv) this sub-rule (a) shall exclude benefits in respect of a Member who took pension or who died in either case before 6 April 2006;

- (b) benefits in respect of rights transferred from the Raflatac Plan under the Merger Agreement shall remain subject to the restrictions on benefits under the rules of the Raflatac Plan including those restrictions applicable where a Pension Sharing Order has been made (whether before or after the Effective Date);
- (c) the restrictions on benefits (but as applicable according to rule 26.8), and the restrictions with reference to the same pre 6 April 2006 Pensions Tax Law provisions in rule 30.3 (Transfers-in), rule 36.4 (Divorce), and in the rules of the Raflatac Plan may be waived by agreement of the Principal Company and the Trustees either generally or in a specific case and in whole or in part.

26.9 Neither the Trustees nor any Employer shall have any liability or responsibility to or in respect of any Member or other beneficiary to monitor the impact of taxation in relation to the benefits payable to or in respect of the Member under the Scheme, nor in relation to the amount of Member contributions, whether ordinary or voluntary.

26.10 A Member shall only be treated by the Trustees as having "primary protection", "enhanced protection", "fixed protection" or "fixed protection 2014" under the Finance Act 2004 for the purposes of the Scheme if he confirms such protection in writing to the Trustees and supplies such evidence to them as they may require that his status has been registered with HM Revenue & Customs and is still current at the relevant time.

Subject to rule 37 (Auto-enrolment), the Trustees shall treat a Member with "enhanced protection" as if he had opted-out of Pensionable Service on 5 April 2006, with "fixed protection" as if he had opted-out of Pensionable Service on 5 April 2012, and with "fixed protection 2014" as if he had opted-out of Pensionable Service on 5 April 2014 and shall advise him in writing how his preserved benefits will be treated after that date and whether he will remain in active Membership after that date for the purposes of any lump sum benefits payable on death in Service.

The foregoing provisions of rule 26.10 shall be modified by the Trustees as they deem necessary to comply with or be consistent with Pensions Tax Law and HMRC Requirements.

26.11 If a tax liability arises because the value of the benefits payable or prospectively payable to or in respect of a Member from the Scheme exceeds his available lifetime allowance, the Trustees may, if they so decide, instead of providing the Member with pension benefits allow the Member to receive the value of the benefits in excess of the lifetime allowance in the form of a lump sum provided that it qualifies as a lifetime allowance excess lump sum under Part 1 of Schedule 29 to the Finance Act 2004.

26.12 The Trustees shall nominate (and may vary) the date which is to be used when calculating the increase in the value of the benefits payable to or in respect of Members for the purpose of determining whether any tax charge arises on the growth in value of those benefits over time.

26.13 If:

- (a) a liability to tax or other charge under statute arises to the Trustees or the Fund or the Administrator in respect of any benefit or sum or the growth in the value of any benefit payable to or in respect of a Member or other person or body; or
- (b) any tax or other charge under statute falls to be deducted from or paid in respect of such benefit or payment or growth in value:

the Trustees may meet and pay the liability to the tax or charge out of the Fund and reduce the benefits or sum payable or prospectively payable to or in respect of the Member or other person or body concerned as the Trustees (having regard to Actuarial Advice if relevant) consider appropriate or necessary to take account of the liability to the tax or charge.

The Trustees shall have such power notwithstanding that liability for any tax or other charge may be joint and several between the Trustees or the Fund or the Administrator on the one part and one or more persons or bodies on the other, or that any liability may be contingent.

Where no such reduction under this rule 26.13 is made or the reduction is inadequate to take account of or meet the liability, the payee shall be obliged to repay an amount equal to such tax or other charge or lesser sum to take account of the said inadequacy of the reduction.

- 26.14 The Trustees may provide the benefits under the Scheme (and whether to the Member or in respect of him on his death) under one or more arrangements within the meaning of that term in Section 152 of the Finance Act 2004 and subject to HMRC Requirements.

Subject to HMRC Requirements, the Trustees may consolidate or subdivide existing arrangements.

- 26.15 A Member may in advance of commencing to receive pension under an arrangement which qualifies as a defined benefits arrangement (within the meaning of that term in Part 4 of the Finance Act 2004) elect by notice in writing to the Trustees that any lump sum payable in respect of such pension should he die before the expiry of any guaranteed payment period attaching to such pension is to be treated as a pension protection lump sum death benefit instead of a defined benefits lump sum death benefit, provided that such lump sum must not exceed the amount which qualifies as a pension protection lump sum death benefit, all of the foregoing being within the meaning of and subject to Part 2 of Schedule 29 to the Finance Act 2004 and HMRC Requirements.

- 26.16 Except with the consent of the Principal Company, the Trustees shall not exercise any of their powers or discretions in this rule 26 so as to increase the amount or value of a benefit which a Member or other beneficiary would have disregarding this rule 26 unless such increase is necessary (or not reasonably practicable for the Trustees to avoid in their reasonable opinion) in order to meet a requirement of Pensions Law or Pensions Tax Law or meet HMRC Requirements.

27 **Commutation of Pension**

- 27.1 At the date of commencement of his pension a Member may elect to exchange part of that pension for a cash sum which qualifies as a Pension Commencement Lump Sum. Subject to HMRC Requirements and Contracting-Out Requirements, a Member may take the cash sum from any Scheme retirement benefits in whatever proportions he decides.

Where a Member is permitted under the Scheme Provisions to draw pension at different dates and he so elects, he may subject to HMRC Requirements and Contracting-Out Requirements choose to take a Pension Commencement Lump Sum in respect of more than one tranche of pension.

- 27.2 Where any pension from the Scheme (other than an unsurrendered pension payable after any commutation pursuant to this rule 27) payable to or in respect of a Member or other beneficiary is of a Trivial Amount, the Trustees may grant to such Member (or other beneficiary if the Member is deceased) in commutation of such pension (and any contingent pensions or death benefits, to the extent that this is permitted under Pensions Law) a lump sum payable on the date on which that pension is due to commence, provided that the lump sum qualifies as a Trivial Commutation Lump Sum or Trivial Commutation Lump Sum Death Benefit.

Where a Member has a guaranteed minimum under rule 35.3, in assessing the amount of pension payable for this rule 27.2, the amount included as guaranteed minimum shall be the amount to which the guaranteed minimum will increase at pensionable age in accordance with rule 35.4.

- 27.3 If the Trustees have received evidence from a registered medical practitioner that the life expectancy of a Member is less than one year, they may grant to him in commutation of his pension (excluding any contingent pensions or death benefits) a lump sum payable on the date on which that pension is due to commence, provided that it qualifies as a serious ill-health lump sum under Part 1 of Schedule 29 to the Finance Act 2004.
- 27.4 The rate of conversion of pension to lump sum for the purpose of rule 27 shall be calculated by the Actuary on a basis which is consistent with HMRC Requirements and certified as reasonable by him.
- 27.5 Where the whole of the pension could be commuted in accordance with rules 27.2 or 27.3 the Trustees may at their discretion require such pension to be commuted, subject to any constraints imposed on such discretion by Pensions Law.
- 27.6 Subject to Pensions Law, the Trustees may in commutation of pension pay to a Member or other person any other lump sum not covered by the foregoing provisions of this rule 27 which would qualify as an authorised member payment under Part 4 of the Finance Act 2004.

28 **Transfer-out**

- 28.1 The Trustees may at a Member's request, instead of paying or preserving the benefits to which he is entitled under the Scheme, transfer to another registered pension scheme or any other fund, scheme or arrangement which meets HMRC Requirements (the "**Other Scheme**") a cash sum or other assets not exceeding the value of such benefits, provided that:
- (a) the Trustees may in their absolute discretion in lieu of a transfer as aforesaid transfer to the Other Scheme a cash sum or other assets the value of which represents the Member's interest in the Scheme;
 - (b) the amount or value of a transfer under rule 28.1 shall be not less than the Cash Equivalent of such benefits; and
 - (c) the Trustees shall obtain such Actuarial Advice as they consider is necessary or required by Pensions Law.
- 28.2 Any such transfer shall be subject to the Trustees:
- (a) being satisfied that the Other Scheme or the administrators or managers of it will be liable for any tax due in respect of the proposed benefits under it; and
 - (b) providing such certificates and information to the Other Scheme as are necessary to ensure compliance with the requirements of this rule 28, to meet any requirements of HMRC practice and to meet any reasonable requests from the administrators or managers of the Other Scheme.
- 28.3 Any lump sum payable under the Other Scheme on the death of the Member may be payable to the Member's legal personal representatives.
- 28.4 The Trustees may make a transfer of any benefits in respect of one or more Members, former Members or other beneficiaries without the consent of any such persons, subject to rule 28.8. Except where the transfer is to another occupational pension scheme or rule 20.4 is applicable (Termination), the amount of the transferred cash sum or other assets in respect of a current Member shall be determined as an amount being no less than that which would have been payable as though he had requested a transfer under rule 28.1.

- 28.5 Any transfer under rule 28 may be in respect of all or part of the benefits in respect of a Member or other beneficiary. The Other Scheme may be one organised or effected by a Member or other beneficiary.
- 28.6 No person shall have a right to a transfer in respect of all or part of his benefits except to the extent that this is conferred by Pensions Law or the Scheme Provisions: provided however that an Enhanced Money Purchase Member who has left Service may choose a separate transfer in respect of his benefits under the Money Purchase Rules and his Final Salary Benefits, and may decide only to take a transfer in respect of one such portion of his benefits.
- 28.7 Without limitation of any discharge of the Trustees under Pensions Law or otherwise, a transfer made by the Trustees under their powers in this rule 28 or under Pensions Law shall discharge the Trustees of all liability for benefits to and in respect of the relevant Member or other beneficiary (including in respect of any benefits contingent on the death of such Member or other beneficiary) to the extent that the transfer was made in respect of such benefits. No consent of any such person shall be required to the extinguishment of their rights or contingent rights under the Scheme following such a transfer notwithstanding any express or implied provision to the contrary contained in the Scheme Provisions or otherwise.
- 28.8 The provisions of rule 28 and the making of a transfer of cash or other assets are subject to compliance with HMRC Requirements, Pensions Law, Contracting-Out Requirements and Transfer Requirements. Subject to the foregoing requirements and the Finance Act 2004, the Trustees may rely on certificates or undertakings given to the Trustees by the trustees, administrators or managers of the Other Scheme.

29 **Amalgamation**

Any other retirement benefits scheme may be amalgamated with the Scheme on such terms as the Trustees on Actuarial Advice and with the consent of the Principal Company think fit. Any such amalgamation shall be subject to the other scheme being a registered pension scheme under Part 4 of the Finance Act 2004.

All transfers of liabilities in respect of benefits shall be effected so as to be in compliance with HMRC Requirements, Pensions Law, Contracting-Out Requirements and Transfer Requirements and (subject to the foregoing requirements and the Finance Act 2004) the Trustees may rely on certificates or undertakings given to the Trustees by the trustees, administrators or managers of the other scheme.

30 **Transfer-in**

- 30.1 If a Member is entitled to benefits under another scheme, fund or arrangement which is a registered pension scheme or otherwise meets HMRC Requirements (the "**Other Scheme**"), the Trustees may if they think fit accept from the Other Scheme any cash sum or other assets (the "**Transfer Payment**") in substitution for the Member's entitlement under the Other Scheme. The Member shall be entitled to such additional benefits from the Scheme as the Trustees consider to be appropriate.
- 30.2 If a Member has benefits in the Other Scheme which relate to a Pension Credit, the Trustees may at the request of the Member accept a transfer of those benefits subject to HMRC Requirements and Pensions Law.
- 30.3 Unless the Trustees with the consent of the Member decide otherwise, the benefits relating to any Transfer Payment shall be provided in the Scheme in addition to and separately from any other benefits which the Member is entitled to receive under the Scheme Provisions.

In respect of any benefits granted before 6 April 2006 in respect of the Transfer Payment:

- (a) where they were not kept separate, they are included in the calculation of the maximum benefits of the Member in accordance with rule 23 of the Old Scheme Documentation (but only where and to the extent such limits remain applicable under the Scheme Provisions according to rule 26.8 of these General Rules); and
 - (b) where they were kept separate, the provisions of that rule 23 are inapplicable.
- 30.4 The Trustees shall regard as the Member's contributions to the Fund only so much of the Transfer Payment as is certified as such on behalf of the Other Scheme.
- 30.5 The provisions of rule 30 and the receipt of a Transfer Payment are subject to compliance with HMRC Requirements, Pensions Law, Contracting-Out Requirements and Transfer Requirements. Subject to the foregoing requirements and the Finance Act 2004, the Trustees may rely on certificates or undertakings given to the Trustees by the trustees, administrators or managers of the Other Scheme.
- 31 Payment of Benefits**
- 31.1 All pensions shall be payable in monthly instalments in such manner as the Trustees shall from time to time either generally or in any particular case decide. Any pension may be paid in advance if the Trustees think fit.
- 31.2 Subject in all cases to rule 26 (Finance Act 2004 etc.), the last instalment of any pension shall be the instalment due immediately before the earlier of the death of the beneficiary and the beneficiary ceasing to qualify for the pension under the Scheme Provisions as applicable.
- 31.3 Subject to Pensions Law, the Trustees may pay a pension which they determine to be small at such less regular intervals than monthly provided that it shall be payable at least annually and in such event of non-monthly payment the pension shall be payable in advance.
- 31.4 On the death of a person to whom a pension was payable under the Scheme Provisions there shall be payable to that person's legal personal representatives such amount as the Trustees determine to be equal to the amount of pension (if any) due but not paid at the date of death.
- 31.5 If in the opinion of the Trustees any person entitled to benefit from the Scheme (the "**Beneficiary**") is suffering from any physical or other incapacity rendering him unable to manage his affairs or to give a proper receipt for the pension or other monies payable from the Scheme, the Trustees may at their discretion make such payments to any of his relatives or to any institution to be applied for his benefit or for the benefit of any relative or other person who in the opinion of the Trustees on the advice of the Employer may be dependent on the Beneficiary. The receipt of the person or authorised officer of the institution so paid shall be a complete discharge to the Trustees for the money paid and they shall be under no liability to see to the application of it.
- 31.6 Pensions and all other payments under the Scheme Provisions are payable by such medium as shall be determined by the Trustees and any agreement with a Member or other beneficiary for payment through the post or otherwise which may in any particular case be made by the Trustees shall be at the risk of the Member or other beneficiary concerned.
- 31.7 Payment of any benefit from the Scheme to any person shall be conditional upon the production of any evidence or information that the Trustees may reasonably require for the purposes of the Scheme, provided that:
- (a) in the event of any medical evidence so required by the Trustees as to the health of the relevant life being in the opinion of the Trustees inadequate in any relevant respect for the purposes of the Scheme, the Trustees shall have power to restrict

the payment of any death benefit or ill-health pension otherwise payable under the Scheme Provisions;

- (b) in the event of such evidence disclosing that the Member's or other beneficiary's age is not as stated to the Trustees, the Trustees shall pay either the benefits appropriate to the Member's or other beneficiary's true age or such other amounts as they shall consider equitable; and
- (c) in the event that any evidence of information supplied to the Trustees is false or incomplete, the Trustees may take such action in regard to prospective benefits and benefits already paid as they consider to be equitable to reflect the true state of affairs and the benefits properly payable under the relevant applicable Scheme Provisions.

31.8 Every Member or other person entitled to benefit from the Scheme shall give notice in writing to the Trustees of his place of residence when he becomes a Member or entitled to a pension from the Scheme and thereafter shall give immediate notice of any change of residence.

31.9 Any monies payable to a beneficiary and not claimed within six years after they have become due shall cease to be claimable and shall revert to the Fund to be held for the general purposes of the Scheme.

32 Application of Lump Sum Death Benefits

32.1 Any lump sum benefit payable under the Scheme Provisions on the death of a Member shall be held by the Trustees with power to be exercised within two years after the earlier of the date the Trustees first knew of the death of such person and the date they could first reasonably be expected to have known of such death on the following basis, that is:

to pay or apply the same or any part of it to or for the benefit of the Beneficiaries or the legal personal representatives of the Member or such one or more of them to the exclusion of the others in such manner and in such proportions as the Trustees shall in their absolute discretion decide:

but so that:

- (a) this rule 32.1 shall not apply to:
 - (i) arrears of the Member's pension;
 - (ii) a lump sum expressed under the Scheme Provisions as being payable (or required by Pensions Law to be paid) to a Member's legal personal representatives or his estate or any specific person on his death;
 - (iii) any part of a Money Purchase Account which is directed by rule 9 of Part 2 of the Rules (Money Purchase Rules: death benefits) to be applied by the Trustees for the provision of a pension to such one or more survivors of a Member as they shall select or a lump sum to a selected survivor in place of pension;
- (b) any proposed application by the Trustees of any benefit falling within the scope of rule 32.1 shall be subject to HMRC Requirements; and
- (c) the additional provisions in rule 33.7 (Trustees' discretions) and rule 33.9 (Trustees' discretion where an amount is to be paid to the legal personal representatives) shall apply.

32.2 **"Beneficiaries"** for the purposes of rule 32.1 means such of the following persons as are living at the Member's death (but subject to rule 32.3 in respect of a Child not yet born):

- (a) any of the Relatives or Dependants of the Member;
- (b) any person, charity, association, club, society or other body whom the Member may have requested the Trustees in writing to treat as qualified to be among the class of "Beneficiaries" provided that such request has been provided to the Trustees (or their agent appointed for the purpose) before the date of the Member's death, or such later date as the Trustees may permit;
- (c) any person, charity, association, club, society or other body who or which is a beneficiary under the Member's will.

32.3 **"Dependant"** for the purposes only of rule 32.2(a) means a Child or spouse, or any other person who in the opinion of the Trustees was at the time of death of the Member dependent on the Member for the provision of all or any of the ordinary necessities of life or was at such time financially interdependent with him.

"Child" for the purposes only of the definition of "Dependant" in this rule 32.3 means a child of the Member or a step-child or a child legally adopted by the Member in each case being under the age of 18, or at the Trustees' discretion over that age if the child is in receipt of full-time educational or vocational training or if the child is incapacitated: the definition may include a child of the Member en ventre sa mere if the Trustees so determine.

The term "Dependants" shall be construed accordingly.

32.4 **"Relatives"** for the purposes of only of rule 32.2(a) means the spouse of the Member and the ancestors and descendants of the Member or his spouse and the spouses of such ancestors and descendants, the brothers sisters uncles and aunts (whether of the whole or the half blood) of the Member or his spouse and the spouses and descendants of them and for the purpose of this definition a stepchild or legally adopted child shall be regarded as issue.

32.5 **"spouse"** for the purposes only of rules 32.3 and 32.4 means a wife or husband and shall include a civil partner within the meaning of the Civil Partnership Act 2004 or any analogous non-UK law acceptable to the Trustees.

32.6 In the case of monies to be applied under rule 32.1 on the death of a Former Spouse, rule 32 shall be interpreted as if the references to "Member" were replaced with references to "Former Spouse".

32.7 If or to the extent that the Trustees have not exercised their powers of payment or application of the benefit within the two year period mentioned in rule 32.1, the Trustees shall thereupon hold the relevant benefit or residue or the assets representing the same as part of the Fund for the general purposes of the Scheme:

provided that in such circumstances however, the said benefit or assets to the extent they are attributable to the transfer of rights from the Raflatac Plan under the Merger Agreement shall be held for the legal personal representatives of the Member, or if none, for the Member's statutory next of kin (on the assumption whether or not fact that the Member was domiciled in England), but so that rule 31.9 (unclaimed monies) shall however remain applicable.

32.8 In applying monies to or for the maintenance or the support or otherwise for the benefit of any persons under rule 32.1, the Trustees may pay the same to trustees for the benefit of that person and may delegate to such trustees any power or discretion which may be exercised by the Trustees under rule 32.1. The Trustees may themselves declare any such separate trust and appoint as trustees or trustee of that trust any two persons or a corporate

body, whether or not it is a trust corporation, as the Trustees may decide and provide for the remuneration of such trustees or trustee.

- 32.9 All or any expenses, fees, stamp duty or other costs incurred for the purpose of, or in connection with, any payment, application or transfer under this rule 32 (irrespective of how that payment, application or transfer is made) may, if the Trustees so decide, be deducted from or paid out of the benefits payable under this rule 32.
- 32.10 The power of the Trustees under 32.1 to pay or apply any benefits shall be exercised in such manner that all interests in them will become vested interests within the period prescribed by rule 22.
- 32.11 If any proposed payment or application under rule 32 (including where applied by rule 36 - Divorce) would if made vest in the Crown or the Duchy of Lancaster or Duke of Cornwall as bona vacantia or in a creditor, the Trustees shall not make the payment or application and unless otherwise paid or applied under rule 32, they shall instead hold the benefit or the relevant part in the Scheme for the general purposes of the Scheme.
- 32.12 Where a Member dies on or after the Effective Date, this rule 32 shall supersede rule 21 of the Old Scheme Documentation (Application of death benefits), and references in the Old Scheme Documentation to rule 21 or to a definition in or provision of it (and including circumstances in which the Trustees consider rule 21 would otherwise have applied) shall instead be to the relevant provisions of this rule 32 as the Trustees deem appropriate.

Where a Member dies on or after the Effective Date, this rule 32 shall supersede the provisions of the rules of the Raflatac Plan in regard to any lump sum falling within the scope of rule 32.1 above. Any cross reference in the rules of the Raflatac Plan to provisions in them on the discretionary payment or application by the trustees of such a lump sum (and the treatment of any residual money from such sum not paid or applied under such discretion) shall be to the appropriate provisions of this rule 32 as determined by the Trustees.

Where a Member has died before the Effective Date, any benefit which would otherwise fall to be paid or applied under this rule 32 shall instead be paid or applied according to rule 21 of the Old Scheme Documentation, but with any part of the benefit attributable to the transfer of rights from the Raflatac Plan under the Merger Agreement being paid or applied according to such of the Scheme Provisions as the Trustees determine to be applicable.

33 **General Provisions**

- 33.1 Subject to such exceptions as are permitted under Pensions Law in respect of marriage or civil partnership or its dissolution and subject to the exercise of any option granted to a Member or other beneficiary under the Scheme Provisions:

the assignment or charging by a Member or any other beneficiary of any benefit under the Scheme is prohibited and:

- (a) if any Member or other beneficiary shall either wholly or partially assign or charge any present or future benefit under the Scheme or attempt or purport to do so; or
- (b) if any other act shall be done or event shall happen whereby the same if belonging absolutely to the Member or other beneficiary would be vested in or payable to or charged in favour of any other person or company:

he shall in so far as is permitted by Pensions Law forfeit all rights whatsoever to such benefit (other than his right to guaranteed minimum pension under rule 35.3).

- 33.2 Subject to such exceptions as are prescribed by Pensions Law, the beneficial interest of any Member under the Scheme including any payments which may fall due to be made in

respect of him on or after his death shall at the Employer's discretion stand charged with the payment of any debt or liabilities owing to the Employers or any of them and arising out of the criminal, negligent or fraudulent act or omission of such person subject however to the conditions prescribed by Pensions Law.

- 33.3 Subject to Pensions Law, the Employers shall not be under any liability whatsoever in connection with the Scheme except as expressly provided in the Scheme Provisions.
- 33.4 No Member or other person shall have any claim or right to any benefit against or from the Scheme except in so far as the Scheme allows and in accordance with the Scheme Provisions.
- 33.5 Nothing in the Scheme Provisions shall restrict the right of an Employer to terminate the employment or Service of any Member nor shall any expectation of benefits from the Scheme be made the grounds for increasing damages in any action brought by a Member against the Employer.
- 33.6 The powers and discretions conferred on the Trustees by the Scheme Provisions and by law shall be absolute and unfettered powers and discretions and the Trustees shall not be obliged to give to any Member or any other person any reason or justification for any exercise or non-exercise of such discretion.
- 33.7 In exercising their discretion about whether and if so to whom any benefit should be paid under the Scheme Provisions (whether in regard to the recipient or recipients of a lump sum or a survivor's pension or otherwise):
- (a) the Trustees shall not be obliged to consider as the object of such discretion under the relevant Scheme Provisions any person except one whose existence has been expressly notified to the Trustees or whom the Trustees can identify by making reasonable enquiries;
 - (b) the Trustees may consult the Employer or Principal Company and may rely on such body's certificate that any person to whom or for whose benefit any amount is to be paid or applied is a person who may be the object of the Trustees' discretion;
 - (c) in settling any benefits on a separate trust the Trustees may rely on a solicitor's certificate stating that the trusts on which the benefits will be held are such that those benefits must be paid to or applied for the benefit of one or more persons or bodies who may be the object of the Trustees' discretion; and
 - (d) where there are benefits under the Scheme in respect of rights transferred under the Merger Agreement, and under the relevant Scheme Provisions the benefit may or shall be payable by the Trustees to one (or one or more) persons or bodies nominated by a Member, the Trustees shall treat as effective a relevant nomination completed by a former member of the Raflatac Plan before 1 May 2012 where it was valid under the rules of the Raflatac Plan (and disclosed to the Trustees) as though such nomination had been made to the Trustees in respect of the Scheme.
- 33.8 The Trustees and the Principal Company in the exercise of their powers and discretions under the Rules in relation to Scheme benefits in respect of rights transferred under the Merger Agreement shall treat the Member in relation to such benefits no less favourably than they treat other comparable beneficiaries under the Scheme, provided that the foregoing shall not of itself increase the amount of the Scheme benefits nor the value of them.
- 33.9 Any lump sum expressed in the Scheme Provisions as being payable to the legal personal representatives or estate of a Member or a survivor (including where determined by the Trustees to be paid under rule 32.1 to the legal personal representatives of a Member) may

at the Trustees' discretion be paid, without production of probate or confirmation of executors or other proof of title, to any person whom the Trustees have reasonable cause to consider to be entitled to the Member's or survivor's estate and no claim shall lie against the Trustees for any sum so paid.

34 Discretionary Benefits

34.1 The Principal Company and the Trustees may agree at any time and from time to time to:

- (a) augment, increase or extend any benefits payable to or in respect of any Member or former Member or to any beneficiary under the Scheme (pursuant to the Merger Agreement) in respect of a former member of the Raflatac Plan, or to or in respect of any other person who is or has been a director or employee of the Employers; or
- (b) grant additional benefits to or in respect of any Member or former Member or to any beneficiary under the Scheme (pursuant to the Merger Agreement) in respect of a former member of the Raflatac Plan, or to or in respect of any other person who is or has been a director or employee of the Employers.

34.2 Except in respect of a payment made by an Employer to the Scheme for credit to a Money Purchase Account and if the Trustees on Actuarial Advice determine as follows, the Principal Company (or such Participating Employer as the Principal Company shall direct) shall pay to the Scheme such additional contributions as the Actuary shall calculate to be appropriate to meet the cost of the benefits granted under rule 34.1 as a pre-condition of such grant being effective, unless the Trustees and Principal Company agree another basis.

35 Contracting-out: 1993 Act

35.1 Rule 35 shall apply if any employment is, becomes or has been Contracted-out Service and shall then override any other provisions of the Scheme which are inconsistent with the provisions of this rule 35 except the amendment power contained in rule 17 and HMRC Requirements. Rules 35.2 to 35.6 are subject to the Contracting-Out Requirements.

35.2 Section 9(2B) Rights

Benefits in respect of any Contracted-out Service on and after 6th April 1997 shall be provided in accordance with Section 9(2B) of the 1993 Act and Contracting-Out Requirements. The benefits payable under the Scheme so far as attributable to Pensionable Service on and after 6th April 1997 and before 1 January 2008 shall, if and to the extent necessary, be adjusted so as to be of such amounts and payable to such persons as will enable the Scheme to meet the statutory standard applicable from time to time under the Contracting-Out Requirements for a scheme which is contracted out on the basis of the benefits it provides.

35.3 Guaranteed Minimum Pension

- (a) The entitlement of a Member and/or (as the case may be) other beneficiary concerned under the provisions of rule 35.3 shall be inclusive of any entitlement under any other provisions of the Scheme other than any entitlement to equivalent pension benefits for the purposes of Part III of the National Insurance Act 1965 and the previous corresponding enactments and any other exclusion required to meet the "anti-franking" requirements of the Contracting-Out Requirements.
- (b) If a Member has a guaranteed minimum in relation to the pension for him under the Scheme in accordance with Section 14 of the 1993 Act:
 - (i) the Member shall be entitled to receive from the Scheme from pensionable age a pension payable for the remainder of his lifetime at a

rate equivalent to a weekly rate of not less than that guaranteed minimum;

- (ii) if the Member, being male, dies at any time leaving a widow, a pension shall be provided for her under the Scheme at a rate equivalent to a weekly rate of not less than half that guaranteed minimum; and
 - (iii) if the Member, being female, dies on or after 6th April 1989 leaving a widower or a Member dies on or after 5 December 2005 leaving a surviving civil partner (within the meaning given to that term in the Civil Partnership Act 2004), a pension shall be provided for that survivor under the Scheme equivalent to a weekly rate of not less than half of that part of the Member's guaranteed minimum which is attributable to earnings for the tax year 1988-89 and subsequent years up to an including 1996-97.
- (c) The guaranteed minimum pensions referred to in sub-rule (b) shall in so far as they are attributable to earnings in the tax years from and including 1988-89 be increased in accordance with the requirements of Chapter II of Part V of the 1993 Act.
 - (d) If the commencement of any Member's guaranteed minimum pension is postponed for any period his guaranteed minimum shall be increased as required by Section 15 of the 1993 Act.
 - (e) If a Member ceases to be in Contracted-out Service and the liability to provide guaranteed minimum pension benefits in respect of him is retained by the Scheme, any refund of contributions to which the Member may then or subsequently be entitled shall be subject to reduction by such amount as the Trustees on Actuarial Advice consider appropriate to allow for the Member's share of the cost of such provision.
 - (f) Guaranteed minimum pensions ceased to accrue under the Scheme in respect of Service after 5th April 1997.

35.4 Revaluation of Guaranteed Minimum Pension

In the event of any Member ceasing to be in Contracted-out Service before pensionable age, the guaranteed minimum in respect of him at pensionable age or at previous death will be calculated on the basis that: (a) the guaranteed minimum pension which has accrued up to cessation, or (b) the earnings factor for each tax year in that Contracted-out Service from which the guaranteed minimum pension is derived: will be increased (but not beyond pensionable age or his earlier death) according to the Contracting-Out Requirements in relation to guaranteed minimum pensions and according to such determination as to the applicable revaluation basis as the Trustees at their discretion make (and, where required) notify HMRC.

The Trustees may at any time (and, where required, on giving notice in writing to HMRC) apply in respect of Members leaving Contracted-out Service after such determination (and, where required, notification) any other basis of revaluation in compliance with Contracting-Out Requirements instead of the one previously operated by them.

35.5 Contributions Equivalent Premiums and Limited Revaluation Premiums

- (a) If a contributions equivalent premium is paid in respect of the Member under Section 55(2) of the 1993 Act and the Scheme's liability to provide guaranteed minimum pension benefits in respect of such Member is cancelled, the benefits in respect of the Member under the Scheme shall be reduced accordingly and any ancillary benefits (contingent on death or otherwise) which are related to the

amount of guaranteed minimum pension benefits concerned shall cease to be payable unless the Trustees in their discretion decide otherwise.

- (b) Where this was permitted under the 1993 Act, any Employer could pay a limited revaluation premium prescribed by Section 55(4) of the 1993 Act.
- (c) If the Employer pays a contribution equivalent premium in respect of any Member, the Trustees may on the request of the Employer pay to the Employer an amount which together with any sum which may be recovered by the Employer pursuant to the 1993 Act out of any refund of the Member's contributions shall be equal to the lesser of the contribution equivalent premium paid and the actuarial value of the Member's interest under the Scheme.

35.6 Safeguarded Rights

The Trustees shall comply with the Pension Sharing (Safeguarded Rights) Regulations 2000 (as they existed on 5 April 2009) with regard to the safeguarded rights of an Ex-Spouse or Ex-Spouse Participant but only to the extent that they may determine at their discretion (in so far as such compliance is not required by Pensions Law in force at any relevant time).

36 **Divorce – Pension Sharing**

36.1 When the benefits of a Member are subject to the provisions of a Pension Sharing Order the following shall apply, but subject to HMRC Requirements and Pensions Law.

36.2 Any Pension Credit shall be discharged in such manner as is determined by the Trustees.

Any benefits consequently provided under the Scheme shall be treated as provided separately from any benefits provided under the Scheme for the same individual as an Employee or as a spouse, civil partner or dependant of an Employee. The Former Spouse shall be regarded as a Member (including a pensioner) for the purposes of the Scheme Provisions but only to the extent considered necessary by the Trustees. The General Rules shall be applied to benefits provided under the Scheme with such modifications as the Trustees deem appropriate. Any Scheme benefit granted shall only be subject to increase to the minimum extent required by Pensions Law. Rule 32 (Application of death benefits) shall apply in regard to benefits payable under the Scheme in respect of the Former Spouse.

36.3 If a Former Spouse dies before the Trustees have implemented the Pension Sharing Order, the Trustees shall use the Cash Equivalent of the Former Spouse's benefits under the Pension Sharing Order to provide such lump sum benefits in accordance with rule 32 (Application of death benefits) and pensions for one or more survivors of the Former Spouse as they shall decide. For the purposes of this rule 36.3, references to "Member" in rule 1 shall be replaced by references to the "Former Spouse" and the General Rules applied with such modifications as the Trustees deem appropriate.

36.4 Part 5 of rule 23 of the Old Scheme Documentation (Limits on benefits – pension sharing) shall apply in respect of a Member and a Former Spouse, provided that:

- (a) it shall not apply to a Member or Former Spouse Participant where he dies or takes retirement benefits after 5 April 2006; and
- (b) it shall not apply if the Pension Sharing Order is effective after 5 April 2006.

Rule 36.4 is subject to rule 26.8(c) (power to waive limits).

37 **Auto-enrolment**

37.1 For as long as an Employer (with the consent of the Principal Company) has entered into arrangements with the Trustees that the Scheme be the auto-enrolment scheme for the

purposes of Regulation 6 of the Occupational and Personal Pension Scheme (Automatic Enrolment) Regulations 2010, the provisions of rule 24 (Membership, etc.) shall be overridden by the requirements of Part 1 of the Pensions Act 2008 and this rule 37 shall apply.

References in this rule 37 to "**legislation**" are to Part 1 of the Pensions Act 2008 and regulations under it.

Expressions used in this rule 37 shall as relevant be interpreted consistently with Part 1 of the Pensions Act 2008.

37.2 A jobholder shall be admitted to Pensionable Service whether automatically or on his opt-in and from such time as may be required by legislation. The Trustees, Principal Company and Employer shall all comply with their obligations under such legislation and facilitate as far as reasonably practicable the compliance by such other parties with the legislation. The Employer shall provide to the Trustees such confirmations for the purposes of the legislation as the Trustees may reasonably require or the legislation necessitates.

37.3 A jobholder who is admitted to Pensionable Service only on account of this rule 37 shall contribute to the Scheme at the rate specified in the Enrolment Information. The Employer shall contribute to the Scheme in respect of such jobholder at the rate specified in the Enrolment Information (but at least at such rate necessary to ensure that in respect of the jobholder the Scheme continues to meet the "quality requirement" in Section 20 of the Pensions Act 2008).

"**Enrolment Information**" means the information specified in Regulation 2 of the Occupational and Personal Pension Scheme (Automatic Enrolment) Regulations 2010.

Except with the Trustees' and Principal Company's agreement, a Member so admitted to Pensionable Service is not permitted to pay voluntary contributions until any statutory right to opt-out of Pensionable Service has lapsed.

37.4 Where a jobholder has served an opt-out notice which is valid under the legislation, he shall be treated as never having been in Pensionable Service in respect of all or any of the Service to which the notice relates. The jobholder shall be entitled to a refund of his contributions (if any) in respect of all such Service as required by legislation less any relevant tax or charge. All contributions by the Employer in respect of such Service shall be refunded to it subject to Pensions Law and the Trustees ensuring any payment if made will not be an unauthorised employer payment in terms of Part 4 of the Finance Act 2004.

37.5 This rule 37 shall also apply in regard to any re-enrolment date in regard to relevant jobholders.

37.6 At any time the Principal Company at the request of the Employer may direct that a Member in Pensionable Service only on account of this rule 37 be treated (but with the Member's consent) as though he were in normal contributory Membership under Part 2 of the Rules (Money Purchase Rules) and with the full range of benefits and options conferred by such Part on a Member in such active Membership (and corresponding Employer contributions), but subject also to the normal conditions applying to such active Membership and benefits and options in respect of it.

37.7 Where contributions are paid in respect of a jobholder under this rule 37, they shall be treated for the purposes of the Rules (subject to the requirements of this rule 37 and Pensions Law) as though they were contributions payable and paid as relevant by the jobholder and the Employer to the Money Purchase Account under Part 2 of the Rules (Money Purchase Rules). The definition of "**Pensionable Service**" shall be interpreted accordingly but only for the limited purposes of this rule 37 and Pensions Law.

37.8 With the Principal Company's and Employer's agreement and subject to legislation, a Member in Pensionable Service only on account of this rule 37 may elect to be an active

Member as a Salary Sacrifice Member for the contributions due under this rule 37 as though he was in normal contributory Membership under Part 2 of the Rules (Money Purchase Rules). The provisions of Part 2 in regard to Salary Sacrifice Members shall apply as appropriate subject to legislation.

37.9 The benefits on the death of a Member who is or has been in Pensionable Service under this rule 37 shall be determined according to Part 2 of the Rules (Money Purchase Rules), but so that however:

- (a) the lump sum (if any) payable under rule 9.1(a)(i) of Part 2 (death in Pensionable Service) or rule 9.3(a)(i) of Part 2 (Death Benefit Only Member - death in Service); and
- (b) the survivor's pension (if any) under rule 9.1(a)(iii) of Part 2 (death in Pensionable Service):

shall be based on Pensionable Salary or Death Benefit Salary as appropriate and disregarding this rule 37.

PART 2 – MONEY PURCHASE RULES

1 Scope of Part 2 and interpretation

1.1 In this Part 2 of the Rules, all words and expressions have the meaning if any given to them in rule 1.1 of the General Rules, unless the context otherwise requires or otherwise stated, and the principles of interpretation set out in rule 1.2 of the General Rules shall apply.

1.2 This Part 2 shall apply to the following persons (subject to the benefit exclusions in rule 1.3):

- (a) all persons in Pensionable Service on or after the Effective Date;
- (b) all persons with a Money Purchase Account in force under the Money Purchase Rules immediately before the Effective Date;
- (c) all Death Benefit Only Members;

1.3 For the avoidance of doubt, this Part 2 shall **not** apply to the following:

- (a) a pension which has come into payment before the Effective Date;
- (b) any survivor's pension on the death on or after the Effective Date of a pensioner within (a);
- (c) the rate of ordinary Member and Employer contributions before the Effective Date under the Money Purchase Rules;
- (d) Final Salary Benefits, including the benefits in respect of such to a Member's survivor;
- (e) benefits in respect of rights transferred from the Raflatac Plan under the Merger Agreement; and
- (f) a lump sum benefit in respect of a Member's death before the Effective Date.

1.4 The benefits in Part 3 of the Rules (Death Benefit Rules – Legacy Death Benefits) and the benefits in this Part 2 (Money Purchase Rules) shall be separate and independent of each other, unless otherwise expressly stated in this Part 2.

1.5 This Part 2 (Money Purchase Rules) is subject to Part 1 of the Rules (General Rules).

2 Contributions by a Member and the Employer; Salary Sacrifice; absence from active employment

2.1 Ordinary contributions by the Member

- (a) Where an Employee is in terms of the General Rules in active Membership for the accrual of retirement benefits in respect of Service, he shall contribute by way of ordinary contributions to the Fund at the rate (if any) specified in the Company Policy. The rate shall be based on Pensionable Salary. Such contributions shall cease at latest when Pensionable Service is required to cease.

This sub-rule (a) is subject the rest of this rule 2.1.

Any Member for the time being making such ordinary contributions (or who would be making them in the opinion of the Trustees were he not a Salary Sacrifice

Member or were such contributions required at a rate greater than 0% under the Company Policy) shall for the purposes of these Money Purchase Rules be regarded as being in "**contributory Membership**".

- (b) Member contributions shall be deducted from his pay by the Employer and paid to the Trustees who shall credit the contributions to his Money Purchase Account.
- (c) Where the Company Policy offers a Member a choice of the rate at which he may make ordinary contributions, he shall be required to make the appropriate election prior to commencing contributory Membership.

A Member may elect to change the rate at which he makes ordinary contributions to the Fund to a different rate as permitted by the Company Policy.

The Principal Company shall determine and may vary the date or dates each year with effect from which he may effect such change and the dates by which notice of such change must be given and the procedure for this: the foregoing may be different depending upon whether Members are or are not Salary Sacrifice Members.

The Trustees shall be notified by the Principal Company of the timings and procedures required by it.

A change in the rate of Member ordinary contributions may affect the rate of Employer contributions under rule 2.4 according to that rule and the Company Policy.

- (d) During any period of absence from active employment with the Employer in which a Member receives remuneration from the Employer and which under rule 2.6 (Absence) is to count as Pensionable Service notwithstanding such absence, he shall still be required to pay ordinary contributions according to rule 2. These contributions will however, for the period of such absence, be calculated by reference to the amount of actual remuneration the Employer pays him during that period of absence rather than Pensionable Salary.
- (e) Notwithstanding the provisions of rule 2, where a Member is a Salary Sacrifice Member, he shall not be required to pay ordinary contributions to the Scheme under rule 2 beyond what is paid to the Scheme by the Employer in respect of him by way of the Salary Sacrifice Arrangement.

Any reference to the ordinary contributions of a Member in connection with the benefits payable under the Scheme Provisions on the death of a Member who was a Salary Sacrifice Member shall include the Notional Contributions paid to the Scheme in respect of him by way of Employer contributions under a Salary Sacrifice Arrangement.

2.2 Voluntary contributions

- (a) Where a Member is in contributory Membership and paying contributions at the maximum rate of ordinary contributions which could be paid by him under the Company Policy (were he to make any necessary election if appropriate), he may pay voluntary contributions to the Fund to provide additional retirement benefits in respect of him. The Trustees shall credit the contributions to his Money Purchase Account.

Only a Member who is a Salary Sacrifice Member in respect of his ordinary contributions under rule 2 may pay voluntary contributions wholly or partly under a Salary Sacrifice Arrangement. Any such payment shall be subject to sub-rule (c) below.

The Principal Company shall determine and may vary the date or dates each year with effect from which voluntary contributions may commence to be paid and with effect from which any change in the amount or rate of such may be commence and the dates by which notice of such change must be given by Members and the procedure for this: the foregoing may be different depending upon on whether Members are or are not Salary Sacrifice Members. The Trustees shall be notified by the Principal Company of the timings and procedures required by it.

- (b) Any reference to the voluntary contributions by a Member in connection with the benefits payable under the Scheme Provisions on the death of a Member who was a Salary Sacrifice Member shall include the voluntary contributions paid to the Scheme in respect of him by way of Employer contributions under a Salary Sacrifice Arrangement.
- (c) To the extent that contributions in respect of a Member are to be treated as voluntary contributions though paid under a Salary Sacrifice Arrangement, where a Member commences a period of absence from active employment with the Employer, the Employer may determine that such contributions which would otherwise normally be payable by it (and falling to be treated as voluntary contributions by the Member) shall be excluded from the Salary Sacrifice Arrangement and not paid by the Employer while the Member is so absent.

2.3 Limit on contributions by Members

The Trustees may, but shall not be obliged to, impose a limit on contributions which a Member may pay by way of voluntary contributions, whether or not under a Salary Sacrifice Arrangement.

The Trustees, Principal Company and Employer shall have no responsibility for any taxation consequences adverse to a Member of contributions to the Scheme by or in respect of him or his aggregate Scheme benefits (taken with or without any other pension arrangements) exceeding any particular level or amount, and the Trustees, Principal Company and Employer shall have no responsibility to monitor the level of contributions being paid to avoid such adverse consequences or possibility of them.

2.4 Employer contributions

- (a) Subject to the rest of this rule 2.4, each Employer shall make ordinary contributions to the Fund in respect of each Employee who is in contributory Membership at the rate (if any) specified in the Company Policy. The rate shall be based on Pensionable Salary.

Employer contributions shall be paid at the same time as the ordinary contributions (if any) by the Member and the Trustees shall credit the contributions to the Member's Money Purchase Account.

- (b) The Employer may elect in respect of any Employee in contributory Membership to contribute to the Fund more than the amount required under sub-rule (a) subject to HMRC Requirements.
- (c) Where the level of contributions by the Employer is in terms of the Company Policy dependent on the level of Member ordinary contributions and the Member is a Salary Sacrifice Member, the Employer's contributions shall be determined with reference to the level of Notional Member Contributions.
- (d) During any period of absence from active employment with the Employer which is under rule 2.6 (Absence) to count as Pensionable Service by a Member notwithstanding such absence (and regardless of whether or not the Member is a Salary Sacrifice Member), the Employer shall pay in respect of the Member

contributions calculated as though he were not absent from work and was working in line with normal practice and receiving normal earnings. In respect of a Member's voluntary contributions, rule 2.2(c) shall however apply (voluntary contributions by Salary Sacrifice and absence from active employment).

2.5 Salary Sacrifice Arrangements

Subject to Pensions Law, the Trustees may alter or modify the way in which the Rules operate in such manner and to such extent as they consider necessary or appropriate to take account of and give effect to Salary Sacrifice Arrangements.

The Trustees shall also recognise that the Principal Company may determine that Salary Sacrifice Arrangements are to be the default method for a Member making ordinary contributions (or ordinary and voluntary contributions), with a Member being required to opt out of Salary Sacrifice Arrangements (and permitted to rejoin Salary Sacrifice Arrangements) to such extent and subject to such restrictions as to timing and procedure as the Principal Company may permit and in respect of ordinary contributions or voluntary contributions by the Member or both. The Trustees shall accommodate the foregoing through their administration arrangements to the extent reasonably practicable and consistent with Pensions Law.

Rule 2.2(a) shall however apply (no voluntary contributions by Salary Sacrifice unless ordinary contributions are being so paid).

2.6 Absence from active employment

- (a) If a Member is absent from active employment with the Employer and he was an active Member in Pensionable Service at the start of the absence, the Principal Company (at the request of the Employer) and the Trustees shall determine if (and if so, for what period) such Member shall remain in Pensionable Service during all or part of such absence.

In respect of such continued Pensionable Service (if any) and subject to the provisos (i) and (ii) following, the amount of contributions to be paid by and in respect of him and the death benefits and the provisions attaching to them while the Member is absent shall be as agreed by the Trustees and Principal Company, provided that:

- (i) the Member and Employer ordinary contributions in respect of continued Pensionable Service shall meet the requirements of rules 2.1(d) and 2.4(d) respectively (absence from active employment) and in respect of a Member's voluntary contributions rule 2.2(c) shall apply (voluntary contributions by Salary Sacrifice and absence); and
- (ii) lump sum life cover shall continue to be provided at least at the minimum level which would apply were he a Death Benefit Only Member and subject to the same conditions and restrictions which would apply to such status of Membership.
- (b) If at the expiry of the appropriate period of absence which is to be treated as continued Pensionable Service under sub-rule (a) the Member does not return to active employment he shall at the said expiry day be deemed to have left Pensionable Service.
- (c) Notwithstanding sub-rules (a) and (b) and the rest of this Part 2 of the Rules (Money Purchase Rules), a Member's absence from active employment with the Employer shall be treated as Pensionable Service, benefits shall be provided in respect of his absence, and the period of Pensionable Service before and after the period of absence shall be treated as continuous, all of the foregoing being at least to the extent required by Pensions Law.

3 Investment

- 3.1 The Trustees may choose a range of policies, unit trusts or other investments (whether income producing or not) which they, in their sole discretion, consider suitable for the investment of the Money Purchase Accounts and may from time to time vary their choice at such discretion. If they do so, the Trustees will notify the Member of the options (if any) available to him and ask him to instruct the Trustees from time to time how he wishes his Money Purchase Account to be invested.

Subject to the rest of this rule 3, the Trustees shall apply the monies or other assets in the Money Purchase Account in accordance with the Member's instructions. This shall not constitute a delegation of the Trustees' powers of investment under rule 3 of the General Rules and under law.

Regardless of whether the Member or the Trustees choose the application of the said monies or other assets, the Member will bear all fees, costs, charges, taxes, duties and expenses the investment medium chosen or the manager of it may incur or levy (and whether incurred by it or a third party) in relation and directly or indirectly to the acquisition, maintenance, custody, management, disposal and otherwise in respect of the investment.

- 3.2 The Trustees alone shall determine:

- (a) the date or dates on which a Member may make investment choices under rule 3.1;
- (b) how investment choices are to be notified by a Member and when; and
- (c) the way in which a Money Purchase Account or any part of it will be applied (as a deemed Member instruction) if a Member fails to give valid, timely and clear instructions to the Trustees.

- 3.3 Nothing in rule 3.1 shall prevent the Trustees:

- (a) applying the Money Purchase Account or any part of it under a policy, unit trust or other contract or arrangement where all decisions regarding the investment of the Money Purchase Account are made by the Trustees alone or where the Member's interest through the Money Purchase Account is commingled with the interests of other Members provided that the Member's Money Purchase Account is at any time capable of valuation and realisation; or
- (b) exercising their powers under rule 3 of the General Rules so as to amend, restrict or no longer offer some or all of the options (if any) previously available to the Member under rule 3.1 above.

- 3.4 In the event of a Member instructing (or being deemed to have instructed) the Trustees in accordance with rule 3 as to how he wishes his Money Purchase Account to be invested and the Trustees so applying the Money Purchase Account, the Trustees shall not be responsible for nor shall they have any liability in respect of the investment performance of the Money Purchase Account. In addition, the Trustees shall not be responsible for nor shall they have any liability in respect of the suitability for the Member of the investments selected nor in respect of the diversification of the investments selected nor in regard to the monitoring of the investment performance of the investments selected.

4 Taking retirement benefits at Normal Retirement Date

- 4.1 Subject to the rest of this rule 4, on a Member leaving Pensionable Service at the Normal Retirement Date, the Trustees shall use the Money Purchase Account to provide with reference to such date such one or more of the following benefits as the Member chooses subject to HMRC Requirements:

- (a) an annual pension for him payable for life with such increases and guarantees as he selects;
 - (b) a pension for his dependants after his death under rule 7; and
 - (c) a lump sum for him under rule 8.
- 4.2 The total cost of providing benefits under rule 4.1 shall not exceed the realised value of the Money Purchase Account and the benefits shall be limited accordingly. The Member must choose the benefits under rule 4.1 by giving written notice of his choice to the Trustees not more than 60 days before, and not later than, the date any of the benefits become payable. If he does not do so, the Trustees may choose the benefits for him. Realisation of the Money Purchase Account shall be effected at the time or times and in such manner as the Trustees choose.
- 4.3 In order to establish the pension benefits described in rule 4.1 the Trustees shall use the Money Purchase Account to purchase pension benefits with an Insurance Company. The Trustees may require that the policy be issued in or transferred into the Member's name.
- 4.4 A Member who is remaining in Service beyond Normal Retirement Date and wishes to take retirement benefits at Normal Retirement Date must do so by giving written notice to the Trustees not more than 60 days before the Normal Retirement Date and not later than the Normal Retirement Date.
- A Member may defer receipt of his benefits and commence to receive them after Normal Retirement Date according to rule 6.3 (Taking retirement benefits after NRD etc).
- 4.5 A Member may take retirement benefits under rule 4 notwithstanding any readmission to active Membership for a new period of Pensionable Service under the General Rules.
- 4.6 In the event that with the Trustees' consent any pension to a Member shall be payable in whole or part out of the Fund and not payable under a policy held by the Trustees, it will be of such amount and subject to such restrictions and conditions as the Trustees may determine after the Trustees have taken Actuarial Advice.
- 5 Taking retirement benefits before Normal Retirement Date**
- 5.1 With the Trustees' and the Principal Company's consent, a Member may leave Pensionable Service on or after his 55th birthday or earlier on the ground of Incapacity and in either case draw retirement benefits immediately so that rule 4 (Taking benefits at NRD) will apply with reference to such date of leaving Pensionable Service as if the Member were leaving Pensionable Service at the Normal Retirement Date.
- 5.2 A Member may take retirement benefits under rule 5.1 with the Trustees' and the Principal Company's consent and in respect of his Pensionable Service just ended, notwithstanding any readmission to active Membership for a new period of Pensionable Service under the General Rules.
- 5.3 Payment of retirement benefits under rule 5 shall be subject to the consent of the Member save where the Member is in the opinion of the Trustees incapable of deciding whether or not it is in his interests to consent in which case retirement benefits may, if the Trustees so determine, become payable without the Member's consent. Benefits may also be required to be taken early where rule 20.4 of the General Rules (Termination) is applicable to him.
- 6 Taking retirement benefits after Normal Retirement Date; Pensionable Service after Normal Retirement Date**
- 6.1 A Member who remains in Service after Normal Retirement Date and has not taken retirement benefits from his Money Purchase Account may choose to remain in contributory

Membership according to rule 2 while he remains an Eligible Employee, all subject to the Rules. If a Member chooses this option, the Employer shall continue to pay ordinary contributions in respect of him in accordance with rule 2 until the cessation of his contributory Membership.

6.2 On cessation of Pensionable Service where it continued after Normal Retirement Date under rule 6.1, the Member shall take retirement benefits from the date of cessation, or such later date as is permitted under rule 6.3. Rule 4 (Taking benefits at NRD) in any case will apply at the benefit payment date as though he were leaving Pensionable Service at his Normal Retirement Date.

6.3 A Member may defer taking retirement benefits after the later of his Normal Retirement Date and the cessation of his Pensionable Service only with the consent of the Trustees and the Principal Company, provided that in any event retirement benefits shall be taken no later than on the cessation of Service.

6.4 A Member may take retirement benefits under rule 6 notwithstanding any readmission to active Membership for a new period of Pensionable Service under the General Rules.

7 Survivor's pension on Member's death after taking retirement benefits from the Money Purchase Account

7.1 A Member may choose on taking retirement benefits under rule 4, 5 or 6 (Taking benefits at, before or after NRD) to use part of his Money Purchase Account to provide a pension or pensions payable under this rule 7 on his death.

7.2 Subject to the benefits the Trustees are able to arrange with the relevant Insurance Company, the pension to one or more survivors shall be:

- (a) payable to one or more persons who qualify as a "dependant" in terms of Part 2 of Schedule 28 to the Finance Act 2004 as nominated by the Member to receive the pension;
- (b) of an amount and with such increases in payment as are chosen by the Member;
- (c) payable for life or such lesser period as the Member chooses; and
- (d) when added to all other pensions payable under this rule 7.2, not greater than the amount of pension payable to the Member (or such higher amount as the Trustees and Principal Company may permit).

7.3 In the event that with the Trustees' consent any survivor's pension shall be payable in whole or part out of the Fund and not payable under a policy held by the Trustees, it will be of such amount and subject to such restrictions and conditions as the Trustees may determine after the Trustees have taken Actuarial Advice.

8 Lump sum on taking retirement benefits

On a Member's retirement benefits becoming payable under rule 4, 5 or 6 (Taking benefits at, before or after NRD), all or part of his Money Purchase Account may be paid to him as a lump sum according to rule 27 of the General Rules (Commutation of pension). A lump may also be available under rule 26.11 of the General Rules (lifetime allowance excess lump sum).

9 **Lump sum death benefits; dependant's pension on Member's death before taking retirement benefits**

9.1 Death in Pensionable Service

- (a) Where a Member dies in Pensionable Service and subject to rule 2.6 (Absence from active employment), rule 9.4 (Rejoining Pensionable Service) and rule 9.5 (Insurance cover), the following benefits shall be payable according to the rest of this 9.1:
- (i) where he dies on or before the Life Cover Expiry Date, a lump sum based on Pensionable Salary of the amount (if any) specified in the Company Policy;
 - (ii) a return of the value of the Money Purchase Account in respect of the Member's voluntary contributions paid under the Money Purchase Rules;
 - (iii) where he dies on or before the Life Cover Expiry Date, a Dependant's pension of the fraction (if any) of Pensionable Salary specified in the Company Policy, which pension shall be subject to the provisions of sub-rule (b) below;
 - (iv) except where (v) applies, a refund of all the Member's ordinary contributions paid under the Money Purchase Rules if no Dependant's pension is payable under (iii);
 - (v) where due to the date of the Member's death the lump sum benefit in (i) is not payable, a return of the value of the Money Purchase Account in respect of the Member's contributions and the contributions of the Employers; and
 - (vi) a return of the value of the Money Purchase Account in respect of a transfer payment credited to it.

Where the Member is an Enhanced Money Purchase Member, the provisions of this sub-rule (a) and the detailed provisions of sub-rule (b) below on the Dependant's pension are all subject however to the special provisions of sub-rule (c) below.

- (b) Where a Dependant's pension under sub-rule (a)(iii) is payable it shall be subject to the following conditions:
- (i) it shall be paid to the Member's nominated Dependant, provided that if there is no nominated Dependant who is alive at the Member's death, the Trustees may pay the pension to any Dependant of the Member as the Trustees in their discretion may determine;
 - (ii) the nomination of a Dependant by a Member shall be made by him in writing provided to the Trustees (or their agent appointed for the purpose) before the date of the Member's death or such later date as the Trustees may permit; the nomination to be effective must allow the Trustees to meet HMRC Requirements; and the nomination may be amended or withdrawn by the Member in writing intimated to the Trustees as mentioned;
 - (iii) the Dependant's pension shall be payable for life unless the Trustees determine otherwise: provided that a pension payable to a Dependant who is under 18 at the time of the Member's death shall only be payable while he qualifies as a Dependant;

- (iv) the Trustees with the consent the Principal Company may recognise more than one Dependant as being the Dependant effectively nominated by the Member for the purposes of sub-rule (b) and if there is no person at the Member's death who qualifies as the nominated Dependant, the Trustees with the consent the Principal Company may under their powers in sub-rule (b)(i) pay the Dependant's pension to more than one Dependant, provided that in all cases to which this sub-rule (b)(iv) applies:
- 1) the intended recipients of pension are under 18 at the Member's death;
 - 2) the aggregate initial Dependant's pension proposed to be paid to all recipients shall not be increased beyond that payable under sub-rule (a) as a result of discretions exercised under sub-rule (b)(iv);
 - 3) the Trustees shall allocate the aggregate initial Dependant's pension among the chosen recipients as they determine; and
 - 4) the pension payable to each Dependant shall cease on that person ceasing to qualify as a Dependant and shall not be reallocated to any other Dependents still eligible to receive pension.
- (c) Where the Member is an Enhanced Money Purchase Member, the benefits in the foregoing provisions of this rule 9.1 shall be altered as follows:
- (i) any lump sum normally payable under sub-rule (a)(i) (based on Pensionable Salary) shall only be payable to the extent of the excess if any of it over any 5 Year Guaranteed Pension Payment payable under Part 3 (Death Benefit Rules) or as a result of the Merger Agreement;
 - (ii) where the Member has pension benefits in respect of rights transferred from the Raflatac Plan as a result of the Merger Agreement, the amount of the Dependant's pension according to sub-rule (a)(iii) shall be under deduction of the "Pension formerly payable from the Raflatac Plan" as described with reference to the "UPM Raflatac Section" in whichever of Appendix I or III of Part 3 (death in deferment or in receipt of pension bases) the Trustees consider appropriate according to his status in respect of such pension and the principles in Part 3 in respect of pension accrued under the Scheme;
 - (iii) any Dependant's pension normally payable under sub-rule (a)(iii) (where relevant, as modified by sub-rule (c)(ii)) shall only be payable to the extent of any excess of it over the initial maximum aggregate survivor's pensions if any payable under Appendix I, II or III of Part 3 (death in Pensionable Service, deferment and in receipt of pension bases respectively), so that:

such excess shall be payable under this rule 9.1 as though such excess had been specified in sub-rule (a)(iii) as the amount of the Dependant's pension; and

if there is no such excess, sub-rule (a)(iii) shall be deemed always to specify an amount of zero for the Dependant's pension under it;
 - (iv) in sub-rule (a)(iv), reference to there being no Dependant's pension payable (to allow for a refund of the Member's ordinary contributions) shall be to no survivor's pension being payable under sub-rule (a)(iii) nor

in respect of any Final Salary Benefits of the Member to which Part 3 applies.

9.2 Death after leaving Pensionable Service and before taking retirement benefits

(a) Where:

- (i) a Member is not in Pensionable Service; and
- (ii) his Money Purchase Account has been preserved on cessation of Pensionable Service and he has not taken any retirement benefits in respect of it:

the benefits in sub-rule (b) shall be payable if the Member dies, subject to rule 9.4 (Rejoining Pensionable Service).

(b) The death benefits referred to in sub-rule (a) are as follows:

- (i) a return of the value of the Money Purchase Account in respect of the Member's ordinary contributions and in respect of all Employer contributions (all in so far as paid under the Money Purchase Rules) for the purchase of dependant's pension;
- (ii) a return of the value of the Money Purchase Account in respect of the Member's voluntary contributions paid under the Money Purchase Rules;
- (iii) a return of the value of the Money Purchase Account in respect of a transfer payment credited to it.

The benefit in sub-rule (b)(i) shall be subject to sub-rule (c).

(c) The further provisions referred to in sub-rule (b) for the benefits stated there are as follows:

- (i) the purchase of pension benefits shall be for such one or more of the Member's "dependants" (as defined in terms of Part 2 of Schedule 28 to the Finance Act 2004) and on such terms as the Trustees in their absolute discretion shall determine;
- (ii) a dependant's pension shall be payable for the life of the relevant dependant or such lesser period as the Trustees may choose;
- (iii) the Trustees may however at their discretion decide to pay all or part of the monies available for the purchase of a pension for a particular dependant to that person as a lump sum;
- (iv) in order to establish a dependant's pension, the Trustees shall use the allocated money to purchase pension benefits with an Insurance Company: the Trustees may require that the policy be issued in or transferred into the dependant's name; and
- (v) to the extent that the monies available under sub-rule (b)(i) are not applied under this sub-rule 9.2 they shall be forfeited and held for the purposes of the Scheme.

(d) In the event that with the Trustees' consent any dependant's pension shall be payable in whole or part out of the Fund and not payable under a policy held by the Trustees, it will be of such amount and subject to such restrictions and

conditions as the Trustees may determine after the Trustees have taken Actuarial Advice.

9.3 Death Benefit Only Member

- (a) If a Death Benefit Only Member dies in Service on or before the Life Cover Expiry Date, and subject to rules 2.6 (Absence from active employment) and 9.5 (Insurance cover), there shall be payable a lump sum of:
- (i) the amount (if any) based on Death Benefit Salary specified in the Company Policy; or
 - (ii) any greater benefit which may be payable under the Old Scheme Documentation in respect of him if he dies before his "Normal Retirement Date" and was a "Life Assurance Only Member" (both expressions being in terms of the Old Scheme Documentation).
- (b) A lump sum benefit shall also be payable of the amount if any stated with reference to this rule 9.3(b) in the special provisions:
- (i) for Finnpap Members at the end of Appendix II of Part 3 of the Rules (Death Benefit Rules – Legacy Death Benefits); and
 - (ii) for Finnpap Members and Caledonian Paper Section Members in Appendix III of Part 3:

where in either case the Member still had Final Salary Benefits under the relevant Membership section in the Old Scheme Documentation at the time of death and he left Pensionable Service after 31 December 2007. Any lump sum benefit under such provisions shall be in addition to any amount payable under sub-rule (a) where the Member dies in Service.

- (c) Where a Member in the Membership categories mentioned in sub-rule (b) left Pensionable Service before 1 January 2008, there shall be payable such lump sum if any as one or a multiple of all or part of past earnings as the Trustees determine with reference to the Old Scheme Documentation and Pensions Law, but only to the extent of any excess over any benefit payable under sub-rule (a).
- (d) Unless expressly stated otherwise in the Scheme Provisions or the Trustees and Principal Company otherwise agree or Pensions Law otherwise requires, the aggregate lump sum under rule 9.3 shall be inclusive of and not in addition to any other lump sum payable under the Scheme in respect of the Member's death and based on all or part of earnings at any time.

9.4 Member rejoining Pensionable Service

Where a Member has left Pensionable Service and has taken immediate retirement benefits or all or part of the Money Purchase Account has been preserved for deferred retirement benefits, and in either case the Member has rejoined Pensionable Service, the Trustees may alter the provisions of rule 9 in their application in respect of him as they consider appropriate to reflect the Member having a different status in respect of different periods of Pensionable Service but only in so far as such alterations are consistent with Pensions Law and do not increase the value of his benefits.

9.5 Insurance cover

Where there is:

- (a) a lump sum death benefit based on Pensionable Salary or Death Benefit Salary or Insurable Salary; or
- (b) a Dependant's pension of a fraction of Pensionable Salary (and whether or not with a deductive item):

the relevant benefit shall be restricted to the value of the insurance held by the Trustees in relation to the Member, Death Benefit Only Member, Life Assurance Only Member or other beneficiary at the time of payment and the payment or application of those benefits shall be subject to such limitations and conditions as may apply under the relevant insurance policy.

With the consent of the Trustees after they have taken Actuarial Advice, the application of this rule 9.5 may be waived or modified by the Principal Company wholly or partially and in respect of such persons or benefits and otherwise, all as it may determine at its discretion.

10 **Termination of Pensionable Service before Normal Retirement Date without taking immediate retirement benefits**

10.1 Member satisfying Qualifying Conditions

- (a) A Member whose Pensionable Service terminates before Normal Retirement Date, who satisfies the Qualifying Conditions and who has not taken immediate retirement benefits under rule 5 (Taking benefits before NRD) shall be entitled to benefits in accordance with sub-rule (b) below and the Preservation Requirements.
- (b) Where this sub-rule (b) is applied by (a) above, then unless:
 - (i) the Member chooses with the consent of the Trustees and on or after his 55th birthday (or at any age if he is suffering Incapacity) to advance the payment of his benefits under the Scheme, in which case rule 4 (Taking benefits at NRD) will apply at the date of advancement as if the Member were leaving Pensionable Service and taking immediate retirement benefits on the date of advancement; or
 - (ii) the Money Purchase Account is transferred out of the Scheme under rule 28 of the General Rules or otherwise; or
 - (iii) the Member dies before taking retirement benefits:

the Trustees shall apply his Money Purchase Account at the Normal Retirement Date according to rule 4 (Taking benefits at NRD) as if he were leaving Pensionable Service and taking immediate retirement benefits then.

With the consent of the Trustees and Principal Company, the Member may choose to defer taking retirement benefits to such later date as he may elect as though he were leaving Pensionable Service and taking retirement benefits then, but retirement benefits shall in any event be taken no later than on the cessation of Service.

10.2 Member not satisfying Qualifying Conditions

Where a Member's Pensionable Service terminates before Normal Retirement Date, he has not taken immediate retirement benefits under rule 5 (Taking benefits before NRD) and he does not satisfy the Qualifying Conditions on cessation of Pensionable Service, the following provisions (a) to (c) may apply in respect of him, but if none applies, no benefits shall be payable at any time in respect of his Pensionable Service under Part 2 of the Rules (Money Purchase Rules):

- (a) provided that he has not exercised the option in (b) or (c) where available, he shall be entitled to receive only a refund of such part of his Money Purchase Account as the Trustees determine to be attributable to his actual contributions (including voluntary contributions) to the Money Purchase Account. The Member shall not be entitled to any refund in respect of any contributions paid to the Scheme by the Employer in respect of him under Salary Sacrifice Arrangements. The Member shall have no entitlement to any other benefits in respect of his Pensionable Service under Part 2 of the Rules (Money Purchase Rules).
- (b) if he has not been a Salary Sacrifice Member and he does not take a refund under (a), where he satisfies the three month condition as defined in Section 101AA of the Pension Schemes Act 1993 he shall be entitled to transfer the Cash Equivalent of his Money Purchase Account under rule 28 of the General Rules.
- (c) if he has been a Salary Sacrifice Member and he does not take a refund under (a), he shall be entitled to transfer the Cash Equivalent of his Money Purchase Account under rule 28 of the General Rules. If he does not do so, the Money Purchase Account shall be applied under the provisions of rule 10.1(b) as though he had satisfied the Qualifying Conditions.

PART 3 – DEATH BENEFIT RULES – LEGACY DEATH BENEFITS

1 Scope of Part 3 and interpretation

1.1 In this Part 3 of the Rules, all words and expressions have the meaning if any given to them in rule 1.1 of the General Rules, unless the context otherwise requires or otherwise stated, and the principles of interpretation set out in rule 1.2 of the General Rules shall apply.

1.2 This Part 3 shall apply in respect of a Member:

- (a) where Final Salary Benefits remain payable from the Scheme in respect of him (subject to the exclusions in rule 1.3);
- (b) his Pensionable Service did not cease before 1 January 2008; and
- (c) he dies on or after the Effective Date.

1.3 Where a Member comes within rule 1.2, the application of this Part 3 shall be subject to the following qualifications as to the benefits within its scope:

- (a) this Part 3 shall not apply to any benefits in respect of a transfer to the Scheme under rule 30 of the General Rules (not being a transfer under the Merger Agreement), unless the transfer bought an additional period of time to count as Pensionable Service for retirement benefits:

provided that where the transfer is within the scope of this Part 3, contributions of the Member included within the transfer shall be treated as appropriate as Member ordinary or voluntary contributions as though they had been paid to the Scheme;

- (b) this Part 3 shall not apply to Final Salary Benefits in respect of voluntary contributions actually paid by a Member to the Scheme unless:
 - (i) such voluntary contributions have bought an additional period of time to count as Pensionable Service for retirement benefits; or
 - (ii) a return in respect of voluntary contributions is specified as one of the death benefits under this Part 3 and the contributions have been applied to purchase additional Pensionable Service for retirement benefits;
- (c) this Part 3 shall not apply to any lump sum death benefit in respect of a Death Benefit Only Member's active Membership (although the provisions of this Part 3 may be referred to in rule 9.3 of Part 2 of the Rules (Money Purchase Rules) for determination of the amount payable under that rule on such a Member's death);
- (d) this Part 3 shall not apply to any benefits in respect of a Pension Credit; and
- (e) this Part 3 shall not apply to any other benefits the Trustees and Principal Company agree subject to Pensions Law should come within the exclusions in this rule 1.3.

1.4 For the avoidance of doubt, this Part 3 shall **not** apply to the following benefits:

- (a) benefits in respect of a Member's death before the Effective Date;
- (b) benefits in respect of Pensionable Service which ceased before 1 January 2008;

- (c) all benefits in respect of rights transferred from the UPM Raflatac Limited Pension Plan under the Merger Agreement (although the provisions of this Part 3 may be referred to in rule 9.1 of Part 2 of the Rules (Money Purchase Rules) for determination of the amount payable under that rule on a Member's death); and
- (d) benefits in respect of a Money Purchase Account or attributable to the proceeds of all or part of it.

1.5 References in this Part 3 to Appendices (unless identified as a reference to one of Appendix I, II or III of this Part 3) and various classes of Member shall be interpreted according to the Scheme rules adopted on 9 November 2001 as amended (being part of the Old Scheme Documentation). The Trustees may for the purposes of interpretation of this Part 3 apply relevant definitions from the Old Scheme Documentation and the rules of the Raflatac Plan where this is considered by them to be appropriate.

1.6 References in the remainder of this Part 3 to "Final Salary Benefits" shall be interpreted according to the benefits within the scope of this Part 3. References to "Final Salary Benefits" in the definitions of terms used in this Part 3 shall be similarly interpreted.

1.7 References to a "Dependant" in this Part 3 shall be interpreted according to the relevant provisions of the Old Scheme Documentation applicable in respect of the Member. This Part 3 states the maximum initial aggregate survivor pensions payable in respect of a Member's death. Under the Old Scheme Documentation, more than one survivor may share the stated maximum pension, and the recipient of a survivor's pension may vary after the Member's death.

In respect of references to a Spouse, or a Dependant (where that term includes a spouse), such references shall include the Member's civil partner (within the meaning of that expression given by the Civil Partnership Act 2004) with effect from 5 December 2005: provided that any survivor's pension shall, subject to Contracting-Out Requirements, only be payable to a civil partner to the extent that it derives from the benefits accrued by the Member in respect of Pensionable Service after 4 December 2005 unless the Trustees and the Principal Company otherwise agree.

1.8 The guidance on the applicability of Appendices I, II and III given immediately after the title to each and before the tabulated provisions is for reference only and no effect in law as a result of such guidance is intended.

1.9 References in Appendices I, II and III to "Pension formerly payable from the Raflatac Plan" (including after any restatement of them under the powers in rule 4.2) do not confer any rights to such pension under this Part 3.

1.10 All cross-references in rule 9 of Part 2 (Money Purchase Rules – death benefits) to death benefits payable under this Part 3 (including also any cross-reference to "Pension formerly payable from the Raflatac Plan" as stated in this Part 3) shall be read as appropriate after the exercise (if any) of the Trustees' and Principal Company's powers under one or both of rules 3 and 4 of this Part 3.

2 **Overriding effect of this Part 3**

To the extent this Part 3 is applicable, it shall override the Old Scheme Documentation so that the amount of death benefits shall only be as stated in this Part 3 (or as determined under powers available to the Trustees and Principal Company).

This Part 3 may therefore restrict the amount of death benefits payable in respect of Final Salary Benefits under the Old Scheme Documentation.

Where death benefits are to be payable under this Part 3, they shall be payable subject to the detailed provisions of (including the restrictions, deductions and increases in payment

stated in) the Old Scheme Documentation in so far as the Trustees consider such provisions to be consistent with this Part 3. The Trustees may adjust the Old Scheme Documentation as they determine to be equitable and consistent with Pensions Law.

This Part 3 and the Old Scheme Documentation are subject to Part 1 of the Rules (General Rules) in so far as consistent with Pensions Law.

3 Amendment of Scheme Provisions in respect of a Member to whom this Part 3 applies

If the Trustees and the Principal Company are satisfied that in any respect or to any extent the benefits payable on the death of a Member to whom this Part 3 applies are not appropriately set out in this Part 3 (subject to the exclusions in rule 1) and the Scheme Provisions when read together according to the principles of interpretation contained in them (and whether or not in respect of a death and benefits scenario set out in them) after due regard by them to the requirements of Pensions Law:

then in such event the Trustees and the Principal Company shall decide subject to Pensions Law the amount and the terms and conditions of any benefits payable on the Member's death, which shall be on a basis which the Trustees and the Principal Company are satisfied is appropriate having regard to the general structure of the death benefits provided for in the Scheme Provisions.

Without limiting their general discretion under this rule 3, the Trustees and Principal Company may exercise their powers under this rule 3 where a Member has in respect of his Final Salary Benefits more than one period of Service or employment or Pensionable Service or pensionable service, or has more than one Membership or benefit status or more than one Normal Retirement Date all in respect of all or part of one or more of such periods.

4 Interaction with benefits formerly payable under the Raflatac Plan

4.1 Scheme benefits in respect of rights transferred from the Raflatac Plan under the Merger Agreement may exist at the time of an Enhanced Money Purchase Member's death. Rule 4.2 applies only in respect of such a Member.

4.2 If the Trustees and the Principal Company agree that the benefits payable on a Member's death on or after the Effective Date should be different from those set out in this Part 3, the death benefits so set out shall be altered subject to Pensions Law in such manner and to such an extent as the Trustees and the Principal Company shall determine to be appropriate so as to remove or reduce any benefits which the Trustees and the Principal Company are satisfied are not intended by them to be provided by the Scheme.

Such power of alteration shall extend to the restatement of references in Appendices I, II and III to "Pension formerly payable from the Raflatac Plan".

5 Special provisions applicable to the following death benefits

5.1 Where the Dependant's pension is to be determined according to Appendix I of this Part 3 (Death in Pensionable Service basis), it shall be subject to the provisions of rule 9.5 (Insurance cover) of Part 2 of the Rules (Money Purchase Rules), as though the amount of the pension were payable under the provisions of the Money Purchase Rules:

provided that this rule 5.1 shall only apply to the extent the amount in Appendix I is in excess of the amount which would be payable were the pension determined with reference to Appendix II of this Part 3 (Final Salary Deferred Member basis).

5.2 Any reference to a Member's pension in payment in Appendix III of this Part 3 (Final Salary Pensioner basis) shall, where a Member's pension had not commenced on or prior to death,

be to the pension which would have commenced had he taken it immediately before death according to the relevant Old Scheme Documentation.

5.3 There shall be no overlap nor element of double (or more) counting of Dependant's pension under any one or more of Appendices I, II and III of this Part 3, nor of any lump sum benefit under this Part 3.

6 **The death benefits payable**

6.1 Subject to the previous provisions of this Part 3, the benefits in this rule 6 shall be payable in respect of a Member's death. Appendix I, II and III of this Part 3 shall apply subject to this rule 6.

6.2 Lump sum benefit

(a) Where the Member dies on or after his 65th birthday, or was a Final Salary Pensioner, the 5 Year Guaranteed Pension Payment shall be payable;

(b) Where the Member was a Final Salary Deferred Member and dies before his 65th birthday having left Pensionable Service, a refund of the Member's ordinary contributions other than under the Money Purchase Rules shall be payable:

provided that this sub-rule (b) is subject to the special provisions in Appendix II regarding former Appendix M Members where a Dependant's pension under that Appendix is applicable;

(c) A refund of the Member's voluntary contributions other than under the Money Purchase Rules shall be payable, if the Member has not taken retirement benefits in respect of them and a 5 Year Guaranteed Pension Payment has not been paid with reference to benefits in respect of such voluntary contributions.

6.3 Dependant's pension

(a) Where the Member was a Final Salary Pensioner, the Dependant's pension shall be as stated in Appendix III.

(b) Where the Member was a Final Salary Deferred Member and was not in Pensionable Service at the time of death:

(i) if he dies before his 65th birthday, the Dependant's pension shall be as stated in Appendix II; and

(ii) if he dies on or after his 65th birthday, the Dependant's pension shall be as stated in Appendix III;

(c) Where the Member was a Final Salary Deferred Member and was in Pensionable Service at the time of death:

(i) if death occurs on or before the Life Cover Expiry Date and he:

1) had been in Pensionable Service continuously since before 1 January 2008; or

2) was such other Member in respect of whom the Trustees and Principal Company agreed to apply this sub-rule (c)(i) or Pensions Law requires this sub-rule (c)(i) to apply:

the Dependant's pension shall be as stated in Appendix I;

- (ii) if he was a Member to whom sub-rule (c)(i) is inapplicable, the Dependant's pension shall be as stated in sub-rule (b) as though he did not die in Pensionable Service.

APPENDIX I

This Appendix is relevant in respect of:

1. Enhanced Money Purchase Members who up to the time of death had been in Pensionable Service continuously since before 1 January 2008, and who are Final Salary Deferred Members – *rule 6.3(c)(i) of this Part 3*;
2. Enhanced Money Purchase Members who were in pensionable service under the Raflatac Plan immediately prior to 1 January 2008 and had been in Pensionable Service continuously since then unless Appendix III is considered appropriate by the Trustees – *rule 9.1(c)(ii) of Part 2 (Money Purchase Rules)*;

if death occurs on or before the Life Cover Expiry Date.

Category and status of Member at time of death	Pension payable
UPM Section	The greater of: 1/120th x Final Pensionable Salary as at 31 December 2007 x Potential Service; and 1/2 of the Member's deferred defined benefit pension at 31 December 2007 revalued to date of death.
Kymmene UK plc Executive Section (Appendix B)	The greater of: 1/2 of the pension the Member would have received based on his Insurable Salary as at 31 December 2007 (i.e. the average of 3 highest consecutive Pensionable Salaries in 10 years prior to 31 December 2007) and assuming he had remained in Service to Normal Retirement Date; and 1/2 of the Member's deferred defined benefit pension at 31 December 2007 revalued to date of death.
Finnpap Section (Appendix C)	The greater of: 1/2 of the pension the Member would have received based on his Final Pensionable Salary as at 31 December 2007 and assuming he had remained in Service to Normal Retirement Date (but bearing in mind the rates in place for Potential Service for this section); and 1/2 of the Member's deferred defined benefit pension at 31 December 2007 revalued to date of death.
Shotton Section (Appendix G)	The greater of: 33% of Final Pensionable Salary as at 31 December 2007; and 1/2 of the Member's deferred defined benefit pension at 31 December 2007 revalued to date of death.
Caledonian Paper Section (Appendix I)	The greater of: 1/120th x Final Pensionable Salary as at 31 December 2007 x Potential Service; and

Category and status of Member at time of death	Pension payable
	1/160th x Final Pensionable Salary as at 31 December 2007 x Contracted-out Service plus revaluation to date of death.
UPM Kymmene Wood Section (Appendix J)	<p>The greater of:</p> <p>1/90th x Final Pensionable Salary as at 31 December 2007 x Potential Service; and</p> <p>1/2 of the Member's GMP for pre 6 April 1997 Pensionable Service (1/2 post 5 April 1988 GMP if Member is female) plus 1/160th of 90% of Qualifying Earnings in the year up to 5 April 2007 for each year of Pensionable Service completed between 6 April 1997 and 31 December 2007.</p>
Former Appendix L Members (Caledonian Directors) Section (Appendix M)	<p>The greater of:</p> <p>1/120th x Final Pensionable Salary as at 31 December 2007 x Potential Service; and</p> <p>1/2 of the Member's deferred defined benefit pension at 31 December 2007 revalued to date of death.</p>
Shotton Senior Executives Section	<p>The greater of:</p> <p>44% of Final Pensionable Salary as at 31 December 2007; and</p> <p>1/2 of the Member's deferred defined benefit pension at 31 December 2007 revalued to date of death.</p>
UPM Raflatac Section	<p>Pension payable from UPM –Kymmene UK Pension Scheme</p> <p>1/120 x Final Pensionable Salary in the Raflatac Plan as at 31 December 2007 x Potential Service ("Potential Service" for this purpose being extended to take account of pensionable service under the Raflatac Plan before 1 January 2008)</p> <p>less "Pension formerly payable from the Raflatac Plan".</p> <p>Pension formerly payable from the Raflatac Plan</p> <p>Spouse's pension equal to 1/2 of Member's total deferred pension payable under the rules of the Raflatac Plan as at 31 December 2007 (revalued to date of death).</p> <p>Note:</p> <p>Children's pension may also formerly have been payable under the rules of the Raflatac Plan but the value of which shall not be taken into account for the purposes of setting off here under this Part 3 the pension which was formerly payable from the Raflatac Plan against the pension otherwise payable from the UPM-Kymmene UK Pension Scheme.</p> <p>The "Pension formerly payable from the Raflatac Plan" is referred to also in rule 9.1 of Part 2 of the Rules (Money Purchase Rules – Dependant's pension) for the calculation of pension under that rule.</p>

APPENDIX II

This Appendix is relevant in respect of:

Enhanced Money Purchase Members to whom Appendix I does not apply, who are Final Salary Deferred Members and who die before their 65th birthday – *rule 6.3(b)(i) and rule 6.3(c)(ii)*.

Category of Member	Pension payable
UPM Section	1/2 of the Member's deferred defined benefit pension as at 31 December 2007 revalued to date of death.
Kymmene UK plc Executive Section (Appendix B)	1/2 of the Member's deferred defined benefit pension at 31 December 2007 revalued to date of death.
Finnpap Section* (Appendix C)	1/2 of the Member's deferred defined benefit pension as at 31 December 2007 revalued to date of death.
Shotton Section (Appendix G)	1/2 of the Member's deferred defined benefit pension as at 31 December 2007 revalued to date of death.
Caledonian Paper Section (Appendix I)	1/160 th of the Member's Final Pensionable Salary x Contracted-out Service ("Final Pensionable Salary" for this category of Member being yearly average of highest 3 consecutive Pensionable Salaries in 10 years prior to 1 January 2008).
UPM Kymmene Wood Section (Appendix J)	(i) in respect of Pensionable Service before 6 April 1997, 1/2 of the Member's GMP (1/2 post 5 April 1988 GMP if the Member is female); (ii) in respect of Pensionable Service after 5 April 1997, 1/160th of 90% of Qualifying Earnings in the year up to 5 April 2007 for each complete year of Pensionable Service after 5 April 1997 and prior to 1 January 2008.
Former Appendix L Members (Caledonian Directors) Section (Appendix M)	1/2 of the Member's deferred defined benefit pension at 31 December 2007 revalued to date of death plus a pension for one or more of the Member's Dependants using the Member's Money Purchase Account (all in terms of Appendix M) if the overall value of the benefits to be provided under Appendix II, in the opinion of the Actuary, would be greater than a lump sum equal to the Member's ordinary contributions paid to the Scheme other than under the Money Purchase Rules, so that no lump sum equal to the Member's ordinary contributions shall be paid in such circumstances.
Shotton Senior Executives Section	1/2 of the Member's deferred defined benefit pension as at 31 December 2007 revalued to date of death, or 2/3 of Member's deferred defined benefit pension if the Member left Pensionable Service after age 50.

Category of Member	Pension payable
UPM Raflatac Section	<p>Pension formerly payable from the Raflatac Plan</p> <p>Spouse's pension equal to 1/2 of Member's total deferred pension payable under the rules of the Raflatac Plan as at 31 December 2007 (revalued to date of death).</p> <p>Note:</p> <p>No Final Salary Benefits are payable from the UPM-Kymmene UK Pension Scheme under this Appendix II in respect of this category of Member.</p> <p>The "Pension formerly payable from the Raflatac Plan" is included only for reference purposes.</p>

*For the purposes of rule 9.3(b) of Part 2 of the Rules (Money Purchase Rules) and in respect only of Death Benefit Only Members who have Final Salary Benefits under the Finnrap Section at the time of death:

- (a) On the death before NRD of a Member who has deferred all his defined benefit retirement benefits and who left Service due to redundancy, a lump sum is payable of 4 times the Member's Final Pensionable Salary or, where insurance cannot be effected by the Trustees on the life of the Member at the normal rate for a person in good health, if less, then the amount received by the Trustees under any insurance effected by them on the life of the Member.
- (b) "**Final Pensionable Salary**" for this special benefit for this category of Member is the yearly average of the highest 3 consecutive Pensionable Salaries (as defined in Appendix C of the Old Scheme Documentation) in the 10 years before 1 January 2008.
- (c) "**NRD**" is the 65th birthday for staff employees and the 60th birthday for employees designated as associate director or director.

APPENDIX III

This Appendix is relevant in respect of:

1. Enhanced Money Purchase Members to whom Appendix I does not apply, who are Final Salary Deferred Members and who die on or after their 65th birthday – *rule 6.3(b)(ii) and rule 6.3(c)(ii)*;
2. Enhanced Money Purchase Members who are Final Salary Pensioners – *rule 6.3(a)*;
3. Enhanced Money Purchase Members who die on or before the Life Cover Expiry Date, were in pensionable service under the Raflatac Plan immediately prior to 1 January 2008 and had been in Pensionable Service continuously since then, unless Appendix I is considered appropriate by the Trustees – *rule 9.1(c)(ii) of Part 2 (Money Purchase Rules)*.

Category and status of Member at time of death	Pension payable
UPM Section	1/120 th x the Member's Final Pensionable Salary (as at 31 December 2007) x Relevant Pensionable Service (to 31 December 2007).
Category II Member Section (Appendix A)	1/200th of the Member's Final Pensionable Salary as at the date active membership stopped (i.e. 1 April 1997) x Relevant Pensionable Service.
Kymmene UK plc Executive Scheme (Appendix B)	1/2 of the pension in payment to Member as at date of death.
Finnpap Section (Appendix C)	<p>1/2 of the pension in payment to Member as at date of death (ignoring any cash commutation or exercise of a dependant's pension option).</p> <p><u>For the purposes of rule 9.3(b) of Part 2 of the Rules (Money Purchase Rules) and in respect only of Death Benefit Only Members who have Final Salary Benefits under the Finnpap Section at the time of death:</u></p> <p>if the Member dies prior to NRD whilst in receipt of an early retirement pension in respect of all his defined benefit retirement benefits but does not die in Pensionable Service, a lump sum is payable equal to:</p> <p>4 x the Member's Final Pensionable Salary as at 31 December 2007 if the Member was not in Service as at the date of death; or</p> <p>3 x the Member's Final Pensionable Salary as at 31 December 2007 if the Member was in Service as at the date of death:</p> <p>but in either case, where insurance cannot be effected by the Trustees on the life of the Member at the normal rate for a person in good health, if less, then the benefit shall be the amount received by the Trustees under any insurance effected by them on the life of the Member.</p> <p>"NRD" is the 65th birthday for staff employees and the 60th birthday for employees designated as associate director or director.</p>
Walki Wisa Section (Appendix F)	1/2 of the pension in payment to the Member as at date of death (ignoring any cash commutation).

Category and status of Member at time of death	Pension payable
Shotton Section (Appendix G)	1/2 of the pension in payment to the Member as at date of death (ignoring any cash commutation or exercise of a dependant's pension option).
Loparex Section (Appendix H)	1/2 of the pension in payment to the Member as at date of death (ignoring any cash commutation).
Caledonian Paper Section (Appendix I)	<p>1/2 of the pension in payment to the Member as at date of death (ignoring any cash commutation).</p> <p><u>For the purposes of rule 9.3(b) of Part 2 of the Rules (Money Purchase Rules) and in respect only of Death Benefit Only Members who have Final Salary Benefits under the Caledonian Paper Section at the time of death:</u></p> <p>if the Member dies prior to Normal Retirement Date whilst in receipt of an early retirement pension in respect of all his defined benefit retirement benefits but does not die in Pensionable Service, a lump sum is payable equal to:</p> <p>4 x the Member's Final Pensionable Salary as at 31 December 2007 if the Member was not in Service as at the date of death; or</p> <p>3 x the Member's Final Pensionable Salary as at 31 December 2007 if the Member was in Service as at the date of death:</p> <p>but the lump sum benefit in either case shall be subject to a maximum lump sum of £2,500 if the Member joined the Caledonian Paper plc Employee Benefit Scheme on or after 1 October 1991 and the early retirement pension was not on account of retirement from Service due to Incapacity.</p>
UPM Kymmene Wood Section (Appendix J)	2/3 of the pension in payment to the Member as at date of death (ignoring any cash commutation).
Norfolk House Management Section (Appendix K)	Trustees' discretion to pay a pension to any one or more of the Member's "Dependants" in terms of Appendix K of the Old Scheme Documentation on such basis as the Trustees determine.
Former Appendix L (Caledonian Directors) Members Section (Appendix M)	1/2 of the pension in payment to the Member as at date of death.
Shotton Senior Executives Section	1/2 of the pension in payment to the Member as at date of death (ignoring any cash commutation or exercise of a dependant's pension option).
UPM Raflatac Section	<p>Pension formerly payable from the Raflatac Plan</p> <p>1/2 of the pension in payment to the Member as at date of death (ignoring any cash commutation)(plus children's pension if applicable).</p> <p>Note:</p> <p>No Final Salary Benefits are payable from the UPM-Kymmene UK Pension Scheme under this Appendix III in respect of this category of Member.</p> <p>The "Pension formerly payable from the Raflatac Plan" is included only</p>

Category and status of Member at time of death	Pension payable
	for the purposes of the reference to it in rule 9.1 of Part 2 of the Rules (Money Purchase Rules – Dependant's pension) for the calculation of pension under that rule.

PART 4 – EXTRACTS FROM THE RULES OF THE UPM-KYMMENE UK PENSION SCHEME IN FORCE PRIOR TO 9 DECEMBER 2013

- 1 This selective working copy of the Old Scheme Documentation showing amendments up to immediately prior to the Effective Date is included for reference purposes only. The provisions of this Part 4 shall not form an operative or legally binding part of the Rules nor the Trust Deed adopting them.
- 2.1 In terms of the Trust Deed which adopted the Rules with effect from the Effective Date and notwithstanding the adoption of the Rules:
 - (a) any pension which has come into payment prior to the Effective Date shall remain determined and payable according to the Old Scheme Documentation;
 - (b) any survivor's pension on the death on or after the Effective Date of a pensioner within (a) shall be determined and payable according to the Old Scheme Documentation;
 - (c) all retirement and death benefits in respect of any Final Salary Benefits not covered by (a) and (b) shall be determined and payable according to the Old Scheme Documentation; and
 - (d) all ordinary Member and Employer contributions prior to the Effective Date towards money purchase retirement benefits shall be determined according to the Old Scheme Documentation.
- 2.2 In respect of the benefits in rule 2.1:
 - (a) they shall however be subject to the General Rules forming part of Rules so far as consistent with Pensions Law;
 - (b) where:
 - (i) the benefits in respect of a Member's past Pensionable Service include Final Salary Benefits;
 - (ii) his Pensionable Service did not cease before 1 January 2008; and
 - (iii) he dies on or after the Effective Date:

the provisions of Part 3 of the Rules (Death Benefit Rules - Legacy Death Benefits) shall apply and may restrict the amount of benefits payable in respect of Final Salary Benefits under the Old Scheme Documentation; and
 - (c) all cover for lump sum death benefit of one times or a multiple of all or part of a deceased Member's earnings and whether or not associated with the Member's past Pensionable Service for Final Salary Benefits shall only be provided according to the Rules, and the Old Scheme Documentation shall not apply.
- 3 A copy of the deed merging the UPM Raflatac Limited Pension Plan with the Scheme is included in part 5 (Raflatac Plan documents).
- 4 An extract of the Deed of Amendment dated 7 December 2010 is annexed showing clause 4.14 (civil partners: referred to in clause 2.3(d) of the Trust Deed adopting these Rules).

PART 5 – EXTRACTS FROM THE RULES OF THE UPM RAFLATAC LIMITED PENSION PLAN IN FORCE PRIOR TO 9 DECEMBER 2013

1 This selective working copy of the rules of the UPM Raflatac Limited Pension Plan showing amendments up to immediately prior to the Effective Date is included for reference purposes only. The provisions of this Part 5 shall not form an operative or legally binding part of the Rules nor the Trust Deed adopting them.

The final amendment reflected in this working copy is that effected with effect from 28 March 2012 by the Merger Agreement.

2 In terms of the Trust Deed which adopted the Rules with effect from the Effective Date and notwithstanding the adoption of the Rules:

- (a) all benefits in respect of rights transferred from the UPM Raflatac Limited Pension Plan under the Merger Agreement shall be determined and payable with reference to the rules of that scheme as applicable; and
- (b) such benefits shall however be subject to the General Rules forming part of the Rules so far as consistent with Pensions Law.

3 The documents in this part 5 are in two sections:

3.1 extracts from the Definitive Deed and Rules dated 5 January 1990 and expressed as being effective from 1 October 1984, the commencement date of the UPM Raflatac Limited Pension Plan, subject to transitional provisions regarding the administration of it prior to 5 January 1990; and

3.2 extracts from the Definitive Trust Deed and Rules dated 29 December 1995 and expressed as being effective from that date subject to transitional provisions, including to the effect that where a Member's Pensionable Service had terminated before then or an individual had become entitled (contingently or otherwise) to a pension or other benefit on the death of such a Member, the amount of and conditions attaching to the benefits of such a Member or individual shall be determined by the Trustees by reference to among other things the document in 3.1 above.

The provisions of Part D of the Schedule to the 1995 deed (divorce) are however stated to apply in respect of all members regardless of their date of leaving pensionable service.

In this section there is also annexed for reference:

- (a) a copy of the Amending Deed dated 20 July 2006 (regarding A Day amendments etc.) effective in respect of all active and deferred members and pensioners;
- (b) a copy of the deed dated 28 March 2012 merging the UPM Raflatac Limited Pension Plan with the Scheme.

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DEPARTMENT OF CHEMISTRY

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Part 5.1

**UPM Raflatac Limited Pension Plan
Definitive Deed and Rules dated 5 January 1990
Extracts from Document (as signed)**

1900

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Part 5.2

**UPM Raflatac Limited Pension Plan
Definitive Trust Deed and Rules dated 29 December 1995
Extracts from the Working Copy of the Document (as amended)**

