

DATED 30 JUNE 1997

DEED OF AMENDMENT

AVX LIMITED PENSION SCHEME

Sedgwick Ulster Pension Trustees Limited
Progressive House
33-37 Wellington Place
Belfast
BT1 6GD

CERTIFIED TO BE A TRUE
COPY OF THE ORIGINAL
David Thompson
SEDGWICK
ULSTER PENSION TRUSTEES LTD.,
PROGRESSIVE HOUSE,
33-37 WELLINGTON PLACE,
BELFAST, BT1 6GD.
DATE 18/3/98

THIS DEED OF AMENDMENT is made the 30th day of JUNE .

1997

by

AVX LIMITED a company registered in England number 1235639 and whose registered office is at Admiral House, Harlington Way, Fleet, Hants GU13 8BB (referred to in this deed as the "Principal Employer")

THIS DEED is supplemental to:-

- (i) an interim trust deed dated 16th November 1987 and made by the Principal Employer whereby the pension plan known as the "AVX Limited Pension Scheme" was established,
- (ii) a definitive trust deed and rules attached (referred to in this deed as the "Definitive Deed") dated 20th September 1991 and made by the Principal Employer and
- (iii) a resolution passed by the Principal Employer on 7th February 1992 whereby certain provisions of the Definitive Deed were amended.

WHEREAS

- (a) The power of amending the Definitive Deed is vested in the Principal Employer, by virtue of Clause 4 of the Definitive Deed, subject to the consent of the Trustees (as therein defined),
- (b) The Principal Employer is desirous of amending the provisions of the Definitive Deed in the manner hereinafter appearing and
- (c) The Trustees consent to the said amendments being made.

NOW THIS DEED WITNESSES as follows:-

- 1 Throughout this deed words and expressions as defined in the Definitive Deed shall, unless otherwise stated, have the same meanings herein.
- 2 Unless otherwise stated the provisions of this deed shall have effect from 6th April 1992.
- 3 The definition of "Pensionable Pay" as stated in Schedule Part 1, appended to the Definitive Deed, is amended by the addition thereto of the following:-
"provided that if the Member's Pensionable Pay is being calculated by reference to a date on or after 6th April 1992 it shall mean the Member's basic annual shift salary or pay for the hours that the Member is contracted to work but excluding special allowances, bonuses, commission, maternity pay and holiday pay."
- 4 In the definition of "Final Pensionable Pay" in Schedule Part 1, appended to the Definitive Deed, all references to "date of leaving Service" are replaced by "date of termination of Pensionable Service".

5 The definition of "Associated Employer" in Schedule Part 1, appended to the Definitive Deed, shall cease to have application and a definition of "Participating Employer" is included in such Schedule as follows:-

"Participating Employer" means any employer for the time being participating in the Plan in accordance with Clause 22 of the Definitive Deed other than the Principal Employer."

6 All references throughout the Definitive Deed to "Associated Employer" are replaced by references to "Participating Employer".

7 Schedule Part II appended to the Definitive Deed shall cease to have application and is replaced by a new Schedule Part II as appended to this Deed.

8 The following amendments are made to Schedule Part III appended to the Definitive Deed:-

(i) In section 1 the words "if male or 55 if female" are deleted,

(ii) Section 5 is replaced by the following:

"5. Lump sum death benefit - applicable to Rule 7(a)11

4 x PP

where PP is the Member's Pensionable Pay calculated as at the date of the Member's death."

(iii) Paragraph (a) of Section 6 is replaced by the following:

"(a) Payable to the widow/widower of a married Member

30% of PP

where PP is the Member's Pensionable Pay calculated as at the date of the Member's death."

(iv) Section 8 is replaced by the following:

"8. Pension Increases - applicable to Rule 9

Applicable to the Member's pension calculated in accordance with paragraph 3 of this Part of the Schedule and any pension payable to the Member's widow/widower or Dependent Children calculated in accordance with paragraphs 6, 7 and 9 of this Part of the Schedule.

A rate of 3% per annum compound or if less the rate of increase in the Index."

(v) The definitions of "Aggregate Retirement Benefit", "Approved Underwriter", "Associated Scheme", "Connected Scheme", "Controlling Director", "Final Remuneration", "Index", "Lump Sum Retirement Benefit", "Relevant Date", "Relevant Scheme" and "Remuneration" shall cease to have application and the following definitions are inserted into that Part of the Schedule:-

"Approved Underwriter" means:

- (1) an insurance company which is authorised under Section 3 or 4 of the Insurance Companies Act 1982 to carry on ordinary long-term insurance business as defined in that Act; or
- (2) an EC company as defined in Section 2(6) of the Insurance Companies Act 1982 which carries on ordinary long-term insurance business in the United Kingdom through a branch in respect of which such of the requirements of Part I of Schedule 2F to that Act as are applicable have been complied with; or
- (3) an EC company as defined in Section 2(6) of the Insurance Companies Act 1982 which provides ordinary long-term insurance in the United Kingdom and such of the requirements of Part I of Schedule 2F to that Act as are applicable have been complied with in respect of the insurance; or
- (4) a friendly society which is authorised under Section 32 of the Friendly Societies Act 1992 to carry on long term business under any of the Classes specified in Head A of Schedule 2 to that Act provided that the terms of such a policy or such a contract are not capable of being amended, revoked or rescinded.

"Band A Member means a Member who was in Pensionable Service before 6th April 1992 and whose Pensionable Service ended on or after 17th May 1990 but before 6th April 1992."

"Band B Member means a Member who was in Pensionable Service before 6th April 1992 and whose Pensionable Service ends on or after 6th April 1992."

(vi) Section 3 is amended by the addition to that section of the following:

"PROVIDED THAT in the case of a Member who was in Pensionable Service on 6th April 1992 his annual rate of pension shall not be less than:

- (1) in respect of male Band A and Band B Members

$$[P(1)] + [(P(2) + L)] + [P(3)]$$

- (2) in respect of female Band B Members

$$[(P + L)] + [P(3)]$$

Where

P is the Member's pension based on Pensionable Service completed up to and including 5th April 1992 and Final Pensionable Pay at the Member's 60th birthday;

P(1) is the Member's pension based on Pensionable Service up to and including 16th May 1990, and Final Pensionable Pay at Normal Pension Date;

P(2) is the Member's pension based on Pensionable Service completed between 17th May 1990 and 5th April 1992 inclusive and Final Pensionable Pay at the Member's 60th birthday;

P(3) is the Member's pension (if any) based on Pensionable Service between 6th April 1992 and Normal Pension Date inclusive and Final Pensionable Pay at Normal Pension Date, and

L is an increase in the Member's pension, as advised by the Actuary, to take account of payment after the Member's 60th birthday.

PLUS (in the case of any female Member) G

Where

G is any additional amount required to satisfy the provisions of Rule 16 of the Rules scheduled to the Definitive Deed.

9 The Trustees hereby give their consent to these amendments by being a party to this deed.

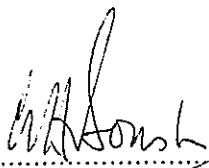
10 The party to this deed intends it to be a deed and agrees to execute and deliver it as a deed.

IN WITNESS of this the Principal Employer has executed this deed on the date first shown above.

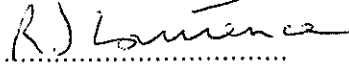
**EXECUTED AS A DEED BY
AVX LIMITED**

acting by:

Name of Director G. H. DOUST

Signature 

Name of Director/Secretary R. J. LAWRENCE

Signature 

SCHEDULE PART II - REVENUE LIMITS

Note:- This Schedule Part II sets out the Inland Revenue's limits on contributions and benefits which will not prejudice Approval. It does not indicate the contributions which a Member is required to pay to the Plan nor confer any benefits of any kind on any Member.

INTERPRETATION AND OVERRIDING EFFECT OF REVENUE LIMITS

The provisions of the Revenue Limits override any other provisions to the contrary contained in the Trust Deed and Rules.

In these Revenue Limits the following expressions mean the following:

AGGREGATE RETIREMENT BENEFIT means the aggregate of:-

- (a) the Member's pension under the Plan and any Associated Scheme, and
- (b) the pension equivalent of the Member's Lump Sum Retirement Benefit.

ASSOCIATED EMPLOYER means an employer which is associated with another employer and one is controlled by the other, or both are controlled by a third party. Control has the meaning in Section 840 of the Taxes Act or, in the case of a close company, Section 416 of the Taxes Act.

ASSOCIATED SCHEME means any Relevant Scheme providing benefits in respect of Relevant Service.

CLASS A MEMBER means any Member who is not a Class A Override Member, a Class B Member or a Class C Member.

CLASS A OVERRIDE MEMBER means any Member who joined the Plan on or after 1st June 1989 and who has not opted to become a Class A Member.

CLASS B MEMBER means any Member:

- (a) who, on or after 17th March 1987 and before 1st June 1989, joined the Plan being a scheme which commenced before 14th March 1989, or
- (b) who the Board of Inland Revenue have agreed in writing to be a Class B Member by virtue of previous membership of a Relevant Scheme

and who, in either case, has not opted to become a Class A Member.

CLASS C MEMBER means any Member who joined the Plan before 17th March 1987 or who joined subsequently and who the Board of Inland Revenue have agreed in writing to be a Class C Member by virtue of previous membership of a Relevant Scheme and who, in either case, has not opted to become a Class A Member.

CONNECTED SCHEME means any Relevant Scheme which is connected with the Plan in relation to the Member, that is if:-

- (a) there is a period during which the Member has been the employee of two Associated Employers;
- (b) that period counts under both schemes as a period in respect of which benefits are payable; and
- (c) the period counts under one scheme for service with one employer and under the other for service with the other employer.

CONTROLLING DIRECTOR means a Member who, at any time on or after 17th March 1987 and in the last 10 years before the Relevant Date has, in relation to the Employer, been both within the definition of a director in Section 612(1) of the Taxes Act and within paragraph (b) of Section 417(5) of the Taxes Act.

FINAL REMUNERATION means the greater of:-

- (a) the highest remuneration upon which tax liability has been determined for any one of the 5 years preceding the Relevant Date being the aggregate of:-
 - (i) the basic pay for the year in question, and
 - (ii) the yearly average over 3 or more consecutive years ending with the expiry of the corresponding basic pay year of any Fluctuating Emoluments provided that Fluctuating Emoluments of a year other than the basic pay year may be increased in proportion to the increase in the Index from the last day of that year up to the last day of the basic pay year. Remuneration that is received after the Relevant Date and upon which tax liability has been determined will be treated as a Fluctuating Emolument (providing it was earned or qualified for prior to the Relevant Date). In these circumstances it may be included provided the yearly average of 3 or more consecutive years begins no later than the commencement of the basic pay year; or
- (b) the yearly average of the total emoluments from the Employer which are assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined for any 3 or more consecutive years ending not earlier than 10 years before the Relevant Date. Where such emoluments are received after the Relevant Date but are earned or qualified for prior to that date, they may be included provided that in these circumstances the yearly average of 3 or more consecutive years begins no later than the commencement of the year ending with the Relevant Date.

Provided that-

- (i) remuneration and total emoluments do not include any amounts which arise from the acquisition or disposal of shares or any interest in shares or from a right to acquire shares (except where the shares or rights etc. which give rise to such an amount liable to tax under Schedule E had been acquired before 17th March 1987) or anything in respect of which tax is chargeable by virtue of Section 148 of the Taxes Act;

- (ii) in relation to a Controlling Director, Final Remuneration shall be the amount ascertained in accordance with (b) above and (a) above shall not apply;
- (iii) in relation to any other employee whose remuneration in any year subsequent to 5th April 1987 used for the purpose of calculating benefits has exceeded £100,000 (or such other figure as may be prescribed by the Treasury), Final Remuneration shall not exceed the amount ascertained in accordance with (b) above and (a) above shall not apply, unless the individual chooses to adopt £100,000 (or such other figure as may be prescribed by the Treasury);
- (iv) where Final Remuneration is computed by reference to any year other than the last complete year ending on the Relevant Date, the Member's remuneration or total emoluments of any year may be increased in proportion to any increase in the Index from the last day of that year up to the Relevant Date. For a Class C Member this proviso shall not apply to the calculation of the maximum Lump Sum Retirement Benefit unless the Member's aggregate total benefits are similarly increased beyond the maximum amount which could be paid but for this proviso and/or the first sentence of (a)(ii) above and then only to the same proportionate extent;
- (v) for Class A and Class A Override Members, Final Remuneration shall not exceed the Permitted Maximum;
- (vi) for the purpose of calculating the maximum Lump Sum Retirement Benefit of a Class B Member, Final Remuneration shall not in any event exceed £100,000 (or such other figure as may be prescribed by the Treasury);
- (vii) an employee who remains, or is treated as remaining, in Relevant Service but by reason of Incapacity is in receipt of a much reduced remuneration ie under a sick pay or permanent health insurance scheme, for more than 10 years up to the Relevant Date, may calculate Final Remuneration under (a) or (b) above with the Final Remuneration calculated at the cessation of normal pay and increased in accordance with the Index;
- (viii) the total amount of any profit related pay (whether relieved from income tax or not) may be classed as pensionable remuneration and treated as a Fluctuating Emolument;
- (ix) an early retirement pension in payment from the Employer may not be included in Final Remuneration.

Notes: Except as in proviso (i) above, benefits in kind may be taken into account when they are assessed to income tax as emoluments under Schedule E, and will normally be regarded as Fluctuating Emoluments. If benefits are not so assessable, they may not be included as part of Final Remuneration except with the agreement of the Pension Schemes Office.

For the purposes of providing immediate benefits at the Relevant Date it will be permitted to calculate Final Remuneration on the appropriate basis above using remuneration assessable to tax under Case I or II of Schedule E and upon which tax liability has not been determined. On determination of this liability Final Remuneration must be recalculated. Should this result in a lower Final Remuneration then benefits in payment should be reduced if this is necessary to ensure that they do not exceed the maximum allowable based on the lower Final Remuneration. Where Final Remuneration is greater it will be possible to augment benefits in payment but such augmentation must take the form of a non-commutable pension.

Where immediate benefits are not being provided or where a transfer payment is to be made in respect of accrued pension benefits then Final Remuneration may only be calculated using remuneration assessable to income tax under Case I or II of Schedule E and upon which tax liability has been determined.

Where Fluctuating Emoluments have not been paid for the full 3 years, they should be averaged over the period from the commencement of their entitlement to payment (or the beginning of the 3 year period, if later) to the end of the relevant basic pay year. Where, however, it is proposed to include in Final Remuneration a Fluctuating Emolument which was payable in a single year only, the agreement of the Pension Schemes Office must be sought.

FLUCTUATING EMOLUMENTS are any part of an employee's earnings which are not paid on a fixed basis and are additional to the basic wage or salary. They include overtime, commission, bonuses or benefits in kind as long as they are assessable to tax under Case I or II of Schedule E and profit related pay (see proviso (viii) to definition of Final Remuneration). Directors' fees may rank as Fluctuating Emoluments according to the basis on which they are voted.

INDEX means the Government's Index of Retail Prices.

LUMP SUM RETIREMENT BENEFIT means the total value of all retirement benefits payable in any form other than non-commutable pension under the Plan and any Associated Scheme.

PERMITTED MAXIMUM is to be construed as defined in Section 590C(2) of the Taxes Act.

RELEVANT DATE means the date of retirement, leaving Pensionable Service or death as the case may be.

RELEVANT SCHEME means any other scheme approved or seeking approval under Chapter I Part XIV of the Taxes Act and in respect of a Class A or Class A Override Member who is a Controlling Director also any retirement annuity contract or trust scheme approved under Chapter III Part XIV or any personal pension scheme as approved under Chapter IV Part XIV of the Taxes Act insofar as it provides benefits secured by contributions in respect of Relevant Service.

RELEVANT SERVICE means service with the Employer or an Associated Employer or, except in relation to a Class A or Class A Override Member who is a Controlling Director of either employer, an employer who is associated with the Employer only by virtue of a permanent community of interest.

REMUNERATION in relation to any year means the aggregate of the total emoluments for the year in question from the Employer and which are assessable to income tax under Schedule E but excluding any amounts which arise from the acquisition or disposal of shares or any interest in shares or a right to acquire shares or anything in respect of which tax is chargeable by virtue of Section 148 of the Taxes Act. Provided that for a Class A and Class A Override Member there shall be disregarded any emoluments in excess of the Permitted Maximum.

RETAINED DEATH BENEFITS means any lump sum benefits payable on the Member's death from:

- (a) retirement benefits schemes approved or seeking approval under Chapter I Part XIV of the Taxes Act or relevant statutory schemes as defined in Section 611A thereof,
- (b) funds to which Section 608 of the Taxes Act applies,
- (c) retirement benefits schemes which have been accepted by the Inland Revenue as "corresponding" in respect of a claim made on behalf of the Member for the purposes of Section 596(2)(b) of the Taxes Act,
- (d) retirement annuity contracts approved under Chapter III Part XIV of the Taxes Act,
- (e) term life provisions under personal pension schemes approved under Chapter IV Part XIV of the Taxes Act, or
- (f) transfer payments from overseas schemes held in a type of arrangement defined in (a), (d) or (e) above

in respect of previous employments or periods of self-employment (whether alone or in partnership). If the Retained Death Benefits do not exceed £2,500 in total they may be ignored.

If the Member is not a Controlling Director and his or her earnings in the 12 months after entry to the Plan (in this context including any other Relevant Scheme providing benefits in respect of service with the current Employer) do not exceed one quarter of the Permitted Maximum, benefits from these sources, other than those transferred into the Plan, shall not be classed as Retained Death Benefits.

PART 1

INLAND REVENUE LIMITS RULE

CLASS A MEMBERS

Notwithstanding anything to the contrary in the Plan provisions, the benefits payable to a Class A Member or his Dependants or other beneficiaries in respect of him shall not, when aggregated with all benefits of a like nature provided under all Associated Schemes, exceed the limits set out below:

1. Member's maximum Aggregate Retirement Benefit

The Member's Aggregate Retirement Benefit shall not exceed:-

- (a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Pension Date on grounds of Incapacity, a pension of 1/60th of Final Remuneration for each year of Relevant Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;

- (b) on retirement at any time before Normal Pension Date on grounds of Incapacity, a pension of the amount which could have been provided at Normal Pension Date in accordance with paragraph 1(a) above, Final Remuneration being computed as at the actual date of retirement;
- (c) on leaving Pensionable Service before attaining age 75, a pension of 1/60th of Final Remuneration for each year of Relevant Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased by 5% for each complete year or, if greater, in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with Social Security legislation is also allowable.
- (d) Benefits for a Class A Member are further restricted to ensure that his total retirement benefit from the Plan and from any Associated Scheme or Connected Scheme does not exceed a pension of 1/30th of the Permitted Maximum for each year of service, subject to a maximum of 20/30ths. For the purpose of this limit, service is the aggregate of Relevant Service and any period of service which gives rise to benefits under a Connected Scheme provided that no period is to be counted more than once.
- (e) For the purpose of calculating the Aggregate Retirement Benefit or the total retirement benefit in (a) to (d) above, the pension equivalent of any Lump Sum Retirement Benefit is one twelfth of its total cash value.

2. Member's maximum Lump Sum Retirement Benefit

The Member's Lump Sum Retirement Benefit shall not exceed:-

- (a) on retirement at any time between attaining age 50 and attaining age 75, except before Normal Pension Date on grounds of Incapacity, 3/80ths of Final Remuneration for each year of Relevant Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- (b) on retirement at any time before Normal Pension Date on grounds of Incapacity, the amount which could have been provided at Normal Pension Date in accordance with paragraph 2(a) above; Final Remuneration being computed as at the actual date of retirement;
- (c) on leaving Pensionable Service before attaining age 75, a lump sum of 3/80ths of Final Remuneration for each year of Relevant Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

CLASS A OVERRIDE, CLASS B OR CLASS C MEMBERS

Notwithstanding anything to the contrary in the Plan provisions, the benefits payable to a Class A Override Member or a Class B Member or a Class C Member or to his Dependents or

other beneficiaries in respect of him shall not, when aggregated with all benefits of a like nature provided under all Associated Schemes, exceed the limits set out below.

1. Member's maximum Aggregate Retirement Benefit

The Member's Aggregate Retirement Benefit shall not exceed:-

- (a) on retirement at or before Normal Pension Date, a pension of 1/60th of Final Remuneration for each year of Relevant Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- (b) on retirement at any time before Normal Pension Date on grounds of Incapacity, a pension of the amount calculated in accordance with paragraph 1(a) above as if the Member had remained in Relevant Service until the Normal Pension Date, Final Remuneration being computed as at the actual date of retirement;
- (c) on retirement after Normal Pension Date, a pension of the greatest of:-
 - (i) the amount calculated in accordance with paragraph 1(a) above on the basis that the actual date of retirement was the Member's Normal Pension Date,
 - (ii) the amount which could have been provided at Normal Pension Date in accordance with paragraph 1(a) above increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period, and
 - (iii) where the Member's total Relevant Service has exceeded 40 years, the aggregate of 1/60th of Final Remuneration for each year of Relevant Service before Normal Pension Date (not exceeding 40 such years) and of a further 1/60th of Final Remuneration for each year of Relevant Service after Normal Pension Date, with an overall maximum of 45 reckonable years.

Final Remuneration being computed in respect of (i) and (iii) above as at the actual date of retirement, but subject always to paragraph 3 below;

- (d) on leaving Pensionable Service before Normal Pension Date, a pension of 1/60th of Final Remuneration for each year of Relevant Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed may be increased by 5% for each complete year or, if greater, in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the pension begins to be payable. Any further increase necessary to comply with Social Security legislation is also allowable.
- (e) Benefits for a Class A Override Member are further restricted to ensure that his total retirement benefit from the Plan and from any Associated Scheme or Connected Scheme does not exceed a pension of 1/30th of the Permitted Maximum for each year of service, subject to a maximum of 20/30ths. For the purpose of this limit, service is the aggregate of Relevant Service and any period of service which gives rise to benefits under a Connected Scheme provided that no period is to be counted more than once.

- (f) For the purpose of calculating the Aggregate Retirement Benefit or the total retirement benefit in (a) to (e) above, the pension equivalent of any Lump Sum Retirement Benefit for a Class A Override Member is one twelfth of its total cash value.

2. Member's maximum Lump Sum Retirement Benefit

The Member's Lump Sum Retirement Benefit shall not exceed:-

- (a) on retirement at or before Normal Pension Date, 3/80ths of Final Remuneration for each year of Relevant Service (not exceeding 40 years) or such greater amount as will not prejudice Approval;
- (b) on retirement at any time before Normal Pension Date on grounds of Incapacity, the amount calculated in accordance with paragraph 2(a) above as if the Member had remained in Relevant Service until the Normal Pension Date, Final Remuneration being computed as at the actual date of retirement;
- (c) on retirement after Normal Pension Date, the greatest of:-
- (i) the amount calculated in accordance with paragraph 2(a) above on the basis that the actual date of retirement was the Member's Normal Pension Date,
 - (ii) the amount which could have been provided at Normal Pension Date in accordance with paragraph 2(a) above together with an amount representing interest thereon, and
 - (iii) where the Member's total Relevant Service has exceeded 40 years, the aggregate of 3/80ths of Final Remuneration for each year of Relevant Service before Normal Pension Date (not exceeding 40 such years) and of a further 3/80ths of Final Remuneration for each year of Relevant Service after Normal Pension Date, with an overall maximum of 45 reckonable years.
- Final Remuneration being computed in respect of (i) and (iii) above as at the actual date of retirement, but subject always to paragraph 3 below;
- (d) on leaving Pensionable Service before Normal Pension Date, a lump sum of 3/80ths of Final Remuneration for each year of Relevant Service prior to leaving Pensionable Service (not exceeding 40 years) or such greater amount as will not prejudice Approval. The amount computed as aforesaid may be increased in proportion to any increase in the Index which has occurred between the date of termination of Pensionable Service and the date on which the benefit is first paid.

3. Limits which apply where benefits are taken in advance of the Member's actual retirement

If a Member elects under Rule 17 to take any part of his benefits under the Plan in advance of actual retirement, the limits set out in paragraphs 1 and 2 above shall apply as if he had retired at the date of the election as aforesaid, no account being taken of subsequent Relevant Service, save that the maximum amount of any uncommuted pension not commencing immediately may be increased either actuarially in respect of the period of deferment or in proportion to any increase in the Index during that period.

4. Controlling Directors

The preceding provisions of this Rule shall be modified in their application to a Member who is a Controlling Director as follows:-

- (a) except in the case of Class A Override Members, the amount of the maximum Aggregate Retirement Benefit in paragraph 1 and of the maximum Lump Sum Retirement Benefit in paragraph 2 shall be reduced, where necessary for Approval, to take account of any corresponding benefits under retirement annuity contracts or trust schemes approved under Chapter III Part XIV of the Taxes Act or under personal pension schemes approved under Chapter IV Part XIV of the Taxes Act;
- (b) where retirement takes place after Normal Pension Date but not later than the Member's 70th birthday, paragraph 1(c)(ii) and (iii) and paragraph 2(c)(ii) and (iii) shall not apply and, if retirement is later than the attainment of that age, the said paragraphs shall apply as if the Member's 70th birthday had been specified in the Rules as his Normal Pension Date, so as not to treat as Relevant Service after Normal Pension Date any Relevant Service before the Member reaches the age of 70;
- (c) where paragraph 3 applies to him, the rate of the actuarial increase referred to therein, in relation to any period of deferment prior to his attaining the age of 70, shall not exceed the percentage increase in the Index during that period.

PART 2

OTHER CONDITIONS RELATING TO CLASS A AND CLASS A OVERRIDE MEMBERS

A. MEMBER'S CONTRIBUTIONS

The contributions paid to the Plan by a Member in a year of assessment shall not exceed either:

- (i) when aggregated with the Member's contributions to any other exempt approved schemes, 15 per cent of the Member's Remuneration, or
- (ii) when aggregated with the Member's contributions to any schemes which are Associated or Connected Schemes, 15 per cent of the Permitted Maximum.

B. CONTINUED LIFE COVER

Any provision in the Rules to provide a lump sum benefit on the death of a Member occurring after retirement on pension (other than a payment under a guarantee of pension provision) shall be restricted in respect of a Member who joined the Plan on or after 1st October 1991 to exclude any provision other than on death occurring before the Normal Pension Date and after retirement on grounds of Incapacity. The amount of the benefit shall not exceed the amount payable had the Member died immediately before retirement increased in proportion to any increase in the Index between the date of the Member's retirement and the date of death.

C. PAYMENT OF RETIREMENT BENEFITS

Except in the case of Class A Override Members:

1. The payment of a Member's retirement benefits shall not commence earlier than the Member attaining age 50, except on retirement on grounds of Incapacity, nor later than attaining age 75.
2. No part of the Member's retirement benefits is to be paid in advance of actual retirement except as necessary to comply with paragraph C1 above or to the extent necessary to comply with the requirements of the PSA 1993.

PART 3

OTHER CONDITIONS RELATING TO CLASS B OR C MEMBERS

A. MEMBER'S CONTRIBUTIONS

The total contributions paid by the Member in a year of assessment to the Plan and any Associated Scheme shall not exceed 15 per cent of his Remuneration for that year.

B. TRANSFERS

1. Any retirement benefits arising by virtue of the receipt by the Plan of a transfer value (other than from another scheme providing benefits in respect of Relevant Service) shall not be capable of commutation unless and then only to the extent that a certificate has been obtained from the administrator of the transferring scheme showing the maximum lump sum payable from the transfer value. The amount so certified may be increased in proportion to any increase in the Index since the date the transfer payment was received.
2. When, on or after a transfer having been made to another occupational pension scheme, the administrator of that scheme requests such a certificate as is referred to in paragraph B.1 above, the Trustees shall calculate as at the date of the transfer the maximum lump sum payable on retirement from the transfer value and certify that amount to the receiving scheme.

PART 4

OTHER CONDITIONS RELATING TO ALL MEMBERS

1. LUMP SUM DEATH BENEFIT

The lump sum benefit (exclusive of any refund of the Member's own contributions not applied specifically to secure the payment of benefits on the Member's death and any interest thereon) payable on the death of a Member while in Relevant Service or (having left Pensionable Service with a deferred pension) before the commencement of his pension shall not, when

aggregated with all benefits of a like nature under all Associated Schemes, exceed the greater of:-

- (a) £5,000, and
- (b) 4 times the greatest of:
 - (i) the annual rate (subject, for a Class A or Class A Override Member, to the Permitted Maximum) of the Member's basic salary or wages at the date of death or leaving Pensionable Service together with the yearly average of Fluctuating Emoluments received in the 3 years (or the whole period of Relevant Service if less) up to the date of death or leaving Pensionable Service, and
 - (ii) the Member's total emoluments (subject, for a Class A or Class A Override Member, to the Permitted Maximum) of any selected period of 12 months ending not earlier than 36 months before the date of death, and
 - (iii) Final Remuneration disregarding provisos (i), (ii) and (iii) of that definition, less Retained Death Benefits.

2. DEPENDANTS' PENSIONS

Any pension for a Dependant, when aggregated with the pensions, other than those provided by surrender or allocation of the Member's own pension, payable to that Dependant under all Associated Schemes, shall not exceed an amount equal to 2/3rds of the maximum Aggregate Retirement Benefit payable to the Member immediately before death under Part 1 above. Where the death of the Member occurs whilst in service before Normal Pension Date the maximum is that appropriate had the Member retired on grounds of Incapacity on the date of death entitled to no retained benefits from previous employments.

If pensions are payable to more than one Dependant of a Member, the aggregate of all Dependents' pensions payable in respect of him under the Plan and all Associated Schemes shall not exceed the full amount of the maximum Aggregate Retirement Benefit described in the previous paragraph of this rule.

3. INCREASES OF PENSIONS IN PAYMENT

The maximum amount of a pension ascertained in accordance with Part 1 or Part 4 of these Revenue Limits less any pension which has been commuted for a lump sum or the pension equivalent of any benefits in lump sum form and any pension surrendered to provide a Dependant's pension may be increased by 3% for each complete year or, if greater, in proportion to any increase in the Index since the pension commenced.

4. SURPLUS AVCs

Where the application of the limits in these Revenue Limits requires the quantum of the Aggregate Retirement Benefit to be restricted and the Member has paid additional voluntary contributions to supplement scheme benefits, that restriction shall first be effected on those

supplementary benefits so as to permit the repayment of the surplus additional voluntary contributions subject to Section 599A of the Taxes Act.

The Administrator of the Plan shall comply with the requirements of Regulation 5 of The Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993 [SI 1993 No 3016] and where the Plan is the "leading scheme" in relation to a Member, with the requirements of Regulation 6 of those Regulations so far as they concern main schemes. If these Regulations are amended by any other Regulations then this Rule will have effect as if it had been amended or replaced accordingly. (For the purpose of this Rule, the expressions "leading scheme" and "main schemes" have the meanings given to them in the Regulations.)

5. TRANSFERS

- (a) The benefits arising on retirement from a transfer value shall not be capable of commutation nor shall they be paid in lump sum form if the transfer is accompanied by a certificate from the administrator of the transferring scheme to the effect that the transfer value is not to be used to provide benefits in lump sum form.
- (b) When making a transfer to an approved personal pension scheme the Trustees shall provide a certificate of the maximum lump sum payable on retirement from the transfer value if the transferring Member:
 - (i) was aged 45 or more at the time that the transfer payment was made, or
 - (ii) has at any time within the 10 years preceding the date on which the right to the cash equivalent being transferred arose been, in respect of any employment to which the transfer payment or any part of it relates, either
 - (1) a Controlling Director, or
 - (2) in receipt of annual remuneration in excess of £60,000 or, if greater, the allowable maximum (ie the equivalent for personal pension schemes of the Permitted Maximum) for the year of assessment in which the date of transfer falls, or
 - (iii) is entitled to benefits included in the transfer payment which arise from an occupational pension scheme under which the normal retirement age is 45 or less.