

DATED 21 December **2023**

(1) NATIONAL WESTMINSTER BANK PLC

**(2) NATWEST GROUP RETIREMENT SAVINGS TRUSTEE
LIMITED**

DEED OF AMENDMENT AND CONSOLIDATED RULES
in relation to the
NATWEST GROUP RETIREMENT SAVINGS PLAN

DEED OF AMENDMENT AND CONSOLIDATED RULES

EXECUTION DATE: 21 December 2023

PARTIES:

- (1) **NATIONAL WESTMINSTER BANK PLC** (No 929027) whose registered office address is at 250 Bishopsgate, London, EC2M 4AA (the "NatWest"); and
- (2) **NATWEST GROUP RETIREMENT SAVINGS TRUSTEE LIMITED** (No 05868655) whose registered office address is at 250 Bishopsgate, London, EC2M 4AA (the "Trustee")

INTRODUCTION

- (A) The NatWest Group Retirement Savings Plan, formerly known as the Royal Bank of Scotland Group Retirement Savings Plan (the "**Plan**"), was established by rules dated 4 September 2006 (and effective from 1 October 2006) and is currently governed by rules effective from 1 May 2013, as amended (the "**Current Rules**"). Schedule 1 sets out a list of the deeds of amendment executed since 1 May 2013 in relation to the Plan.
- (B) The Trustee, formerly known as the RBS Retirement Savings Trustee Limited, is the current trustee of the Plan. NatWest is the current "principal employer" of the Plan and assumed this role with effect from 1 December 2021. Prior to that, NatWest Markets PLC (formerly called Royal Bank of Scotland PLC) was the "Principal Employer".
- (C) Definitions used in the Current Rules have the same meanings in this deed.
- (D) Under Rule 23 of the Current Rules (Changing the Rules), NatWest may change or replace the Current Rules at any time so long as it notifies the Trustee of any changes, and subject to the requirements of Rule 23. Where NatWest changes or replaces any Rule which affects the benefits of any AA Members, the consent of the Trustee is required unless the changes apply as a result of an election by the Member under NatWest Group Benefits.
- (E) The Trustee, as evidenced by its execution of this deed, (i) acknowledges NatWest's notice under Clause 23 of the Current Rules, and (ii) consents to the amendments made by this deed in so far as they affect the benefits of any AA Members.
- (F) The amendments set out in this deed will take effect on and from the Effective Date.
- (G) NatWest, with the agreement of the Trustee so far as required under Rule 23, wishes to enter into this deed to replace the Current Rules in their entirety with the rules set out in Schedule 2 to this deed (the "**Second Consolidated Rules**").
- (H) The amendments set out in this deed (a) are exempt from section 67 of the Pensions Act 1995; or (b) are not regulated modifications (as defined in section 67A(2) of the Pensions Act 1995).
- (I) For the purposes of section 259 of the Pensions Act 2004 (Consultation by employers: occupational pension schemes), none of the decisions to make any of the amendments set out in this deed constitutes a prescribed decision.
- (J) In this deed, Execution Date means the date given at the top of the first page of this deed.

EFFECT OF THIS DEED:

1. AMENDMENTS

- 1.1 With effect on and from the Effective Date, but subject to Clause 1.2, NatWest, with the agreement of the Trustee so far as required under Rule 23, and in accordance with Rule 23 (Changing the Rules) of the Current Rules and any other enabling power, **HEREBY REPLACES** the provisions of the Current Rules with the Second Consolidated Rules (as set out in Schedule 2), but subject to the other clauses of this deed and not so as to prejudice the validity of any decision, act,

omission or other thing made, done or omitted to be done in accordance with the provisions of any other documentation of the Plan, before the execution of this deed.

- 1.2 No amendment made by this deed is intended to make the basis of any aspect of the (i) calculation of, (ii) eligibility for, or (iii) conditions for payment of, any benefits, whether in respect of past or future service or otherwise, in respect of any beneficiary under the Plan more generous than the basis contained in the Current Rules. Any provisions of this deed which are inconsistent with this intention are void to the extent of such inconsistency unless NatWest has agreed to them at the time of adoption of this deed or subsequently.
- 1.3 The adoption of the Second Consolidated Rules shall not cause any Member to cease to be a Member.
- 1.4 In this deed the "Effective Date" means 1 January 2024. However, if later, the Effective Date applicable to or in respect of Members in respect of whom the Plan is tax approved in a jurisdiction outside the United Kingdom (**Non-UK Members**) will be such date as is consistent with the requirements of any competent tax or regulatory authority in the relevant jurisdiction and until such date the Current Rules will continue in full force and effect in respect of the Non-UK Members in that jurisdiction, notwithstanding that amendments set out in this deed may have come into effect for some or all other Members (including other Non-UK Members).

2. **COUNTERPARTS**

- 2.1 This deed may be executed in any number of counterparts and by each of the parties on separate counterparts each of which when executed and delivered shall be deemed to be an original, but all the counterparts together shall constitute one and the same agreement.

EXECUTED AS A DEED by the Parties as follows:

Executed as a Deed (but not delivered until the Execution Date) for and on behalf of **NATIONAL WESTMINSTER BANK PLC** by Dearbhla Kelly acting under a senior power of attorney in her favour dated 2 November 2023 in the presence of:

[Redacted Name]

Full Name (Witness)

[Redacted Address]

Address

X I confirm I was physically present with the signatory when they signed this document

Executed as a Deed (but not delivered until the Execution Date) by **NATWEST GROUP RETIREMENT SAVINGS TRUSTEE LIMITED** acting by:-

Carol Young

Full Name (Director)

Ross Wood

Full Name (Director/Secretary)

DocuSigned by:

[Redacted Signature]

Signature of Attorney

DocuSigned by:

[Redacted Signature]

Signature of Witness

DocuSigned by:

[Redacted Signature]

Signature of Director

DocuSigned by:

[Redacted Signature]

Signature of Director/Secretary

SCHEDULE 1**LIST OF DEEDS OF AMENDMENT EXECUTED SINCE 1 MAY 2013**

| No | Date | Document | Parties |
|-----------|-----------------|--|--|
| 1. | 19 January 2015 | Deed of Amendment | (1) The Royal Bank of Scotland plc (2) RBS Retirement Savings Trustee Limited |
| 2. | 4 January 2016 | Deed of Amendment | (1) The Royal Bank of Scotland plc (2) RBS Retirement Savings Trustee Limited |
| 3. | 16 June 2020 | Deed of Amendment | (1) NatWest Markets plc (2) RBS Retirement Savings Trustee Limited |
| 4. | 3 November 2021 | Deed of Amendment and Substitution of Principal Employer | (1) NatWest Markets plc (2) National Westminster Bank plc (3) RBS Retirement Savings Trustee Limited |

SCHEDULE 2

NatWest Group Retirement Savings Plan
(Formerly The Royal Bank of Scotland Group
Retirement Savings Plan)

Second Consolidated Rules

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1. **INTERPRETATION**

1.1 **MEANING OF WORDS USED**

"AA Scheme" means the RBS AA Pension Scheme.

"AA Member" means a person who was a member of the AA Scheme on 31 December 2012.

"Affected Members" has the meaning given in Rule 13.7.2 (Non-UK Approvals).

"Beneficiaries" is defined in Rule 6.3 (Payment of lump sum death benefits).

"Dependant" means (i) the Member's spouse or civil partner at the date of their death; (ii) anyone who is financially dependent on the Member or other person concerned, or who was so dependent at the time of that person's death. This includes anyone who shares living expenses with, or receives financial support from, the Member or other person, and whose standard of living would be affected by the loss of that person's contribution or support; and (iii) such other persons as NatWest and the Trustee may agree. However, it does not include any person who is not a dependant as defined in paragraph 15 (excluding sub-paragraph (1A)) of Schedule 28 of the Finance Act 2004 (Meaning of "dependant"). The Trustee's decision as to whether someone is another person's Dependant will be final.

"Effective Date" means 1 January 2024. However, if later, the Effective Date applicable to or in respect of Members in respect of whom the Plan is tax approved in a jurisdiction outside the United Kingdom (**Non-UK Members**) will be such date as is consistent with the requirements of any competent tax or regulatory authority in the relevant jurisdiction.

"Employee" means (i) any employee or director of an Employer, except a non-executive director; and (ii) any other person who an Employer, with the agreement of NatWest, decides and notifies to the Trustee.

"Employer" means an employer participating in the Plan.

"Member" means a person who has joined the Plan for retirement benefits as described in Rule 2.1 (Joining for retirement benefits).

"NatWest" means National Westminster Bank plc.

"NatWest Group Benefits" means the benefit choice arrangement operated by NatWest and the Employers and known at the date of these Rules as NatWest Group Benefits (and previously known as *RBSelect*).

"Nominee" has the meaning given to "Nominee of the member" in paragraph 27A of Schedule 28 of the Finance Act 2004 (Meaning of "nominee").

"Normal Minimum Pension Age" means normal minimum pension age as defined in the Finance Act 2004. However, if and to the extent that a Member has a "protected pension age" for the purposes of Schedule 36 to the Finance Act 2004. "Normal Minimum Pension Age" means that protected pension age.

"Non-UK Approvals" has the meaning given in Rule 13.7.2 (Non-UK Approvals).

"Plan" means the NatWest Group Retirement Savings Plan.

"Preservation Laws" means the laws on preservation of benefit in Chapter I of Part IV of the Pension Schemes Act 1993 (Preservation of Benefit Under Occupational Schemes).

"Retirement Account" means a Member's Retirement Account as described in Rule 4 (Member's Retirement Account).

"Service" means employment with the Employers.

"Transfer Agreement" means the agreement made between, amongst others, NatWest Markets plc (then called the Royal Bank of Scotland plc) (Company number SC090312), the Trustee and the trustee of the AA Scheme under which assets and liabilities were transferred from the AA Scheme to the Plan with effect from 31 December 2012.

"Transfer Value Laws" means the laws on transfer values in Chapter I of Part 4ZA of the Pension Schemes Act 1993 (Transfer Values).

"Trustee" means the trustee or trustees for the time being of the Plan.

"Value Account" means the amount designated as the Member's "value account" for the purposes of NatWest Group Benefits.

- 1.2 In these Rules, references to a spouse or civil partner includes a person of the same or opposite sex to the Member.
- 1.3 In these Rules, where a **"Note"** or **"Notes"** appear, it or they shall assist with the interpretation or application or operation (as the case may be) of the Rule to which it or they specifically relate unless the Note or Notes state otherwise.
- 1.4 References to any statutory provision include any modification, re-enactment or extension of that provision for the time being in force and any statutory instruments, orders or regulations from time to time made under that provision.

2. **JOINING THE PLAN**

2.1 **Joining for retirement benefits**

An Employee is eligible to join the Plan if his or her contract says so or if NatWest otherwise invites the Employee to join. The Employee may join on the date specified in his or her contract or invitation.

However, the Trustee will also include an Employee in the Plan automatically from each automatic enrolment or re-enrolment date if the Employer asks and the Pensions Act 2008 requires the Employer to arrange for the Employee to become an active member of an automatic enrolment scheme. The only exception is if the Employee has given a valid opt-out notice under Section 8 of that Act (Jobholder's right to opt out).

An eligible Employee who wants to join but is not included in the Plan automatically must apply to join in the form required by NatWest.

2.2 **Joining for death-in-service benefits only**

Any Employee who has not joined the Plan for retirement benefits (whether or not the Employee is eligible to join for retirement benefits) will still be included in the Plan

for death-in-service benefits, if the Employee's terms of employment say so unless NatWest and the Employee agree that this will not be the case.

If the Employee dies in Service, the Trustee will provide death-in-service benefits under Rule 6.1 (Additional benefits on death in Service). The Employee will be treated as a Member for the purpose of calculating and paying those benefits, but will not qualify for any other benefits under the Plan.

However, even if the Member is an AA Member who was accruing benefits under the AA Scheme on 31 December 2012 but chose not to join the Plan for future Service from 1 January 2013, the provisions of Rule 6.1.3 (Additional benefits on death in Service) applicable to AA Members will not apply.

Note: See Rule 13.3 (NatWest Group Benefits).

2.3 Evidence of health

The Trustee may require any Employee to provide evidence of good health and other information unless NatWest directs otherwise.

In spite of Rules 2.1 (Joining for retirement benefits) and 2.2 (Joining for death-in-service benefits only), an Employee will not qualify for death-in-service benefits under Rule 2.2 (Joining for death-in-service benefits only) or Rule 6.1 (Additional benefits on death in Service) until the Trustee is satisfied that the Employee is in good health (or has confirmed that it does not require the Employee to provide evidence of good health) and has received any other information that it requires.

3. CONTRIBUTIONS

3.1 Contributions by Employers

Each Employer will contribute to the Plan in respect of each Member in its employment.

The Employer's contributions will be at such rate as the Member selects under NatWest Group Benefits from time to time, subject to any restrictions which NatWest decides to impose from time to time and notifies to the Member and the Trustee or, where the Member does not participate in NatWest Group Benefits, at such rate as NatWest notifies to the Member and the Trustee.

Each Employer will also contribute to the Plan at a rate that is sufficient to enable the Trustee to provide death-in-service benefits under Rule 2.2 (Joining for death-in-service benefits only) or Rule 6.1 (Additional benefits on death in Service) for Employees in its employment.

If the Trustee has prepared a payment schedule as required by Section 87 of the Pensions Act 1995 (Schedules of payments to money purchase schemes), the Employers must contribute to the Plan in accordance with the schedule.

Notes:

- (i) See Rule 13.3 (NatWest Group Benefits).
- (ii) The Employers may also pay amounts in respect of Plan expenses (see Rule 17.3 (Plan expenses)).

- (iii) The Transfer Agreement provides for specific rates to apply in respect of AA Members immediately on joining the Plan.

3.2 Contributions by Members

Members in Service are not required to contribute to the Plan.

However, a Member in Service may, if NatWest and the Trustee agree, pay additional voluntary contributions ("**AVCs**") to the Plan on a basis agreed with NatWest and the Trustee.

These voluntary contributions will be allocated to the Member's Retirement Account, and the proceeds will be used to provide additional benefits for, or in respect of, the Member.

4. MEMBER'S RETIREMENT ACCOUNT

4.1 Value of Member's benefits

The value of the benefits provided for, and in respect of, each Member under the Plan will be determined by the value of the Member's Retirement Account.

4.2 Credits to Retirement Account

The Trustee will allocate to each Member's Retirement Account:

- 4.2.1 the contributions paid by the Employer in respect of the Member;
- 4.2.2 the Member's own contributions (if any);
- 4.2.3 any assets or surrender values accepted by the Trustee in respect of the Member under Rule 16.1 (Transfers from other pension schemes and arrangements) including, in the case of an AA Member, amounts as described in the Transfer Agreement; and
- 4.2.4 a fair share (as decided by the Trustee) of the expenses of the Plan as set out in Rule 4.4 (Allocation of expenses).

4.3 Investment options

Members must (unless NatWest and the Trustee agree otherwise or the Employer notifies the Trustee that the Member is being auto-enrolled for the purposes of the Pensions Act 2008) choose to link the value of their Retirement Accounts to one or more investment options offered by the Trustee from time to time. Where the Member need not make such a choice, the Trustee may choose a default option for the Member. The Trustee will adjust the value of each Member's Retirement Account in line with the changes in the value of the investment option to which the Retirement Account is linked. The Trustee will consult NatWest before selecting such investment options.

If the Trustee allows, Members may switch between the available investment options offered by the Trustee. Switching may apply to amounts already allocated to Retirement Accounts as well as for amounts to be allocated in future. Switching will be subject to any restrictions or conditions that the Trustee, with the consent of NatWest, may impose from time to time.

The Trustee may at any time, after consulting NatWest, change the investment options available under the Plan. In particular, the Trustee may also, after consulting NatWest, withdraw any option at any time for amounts already allocated to Retirement Accounts as well as for amounts to be allocated in future. If the Trustee withdraws an investment option, it may (but is not obliged to) permit Members to choose a replacement from the options offered by the Trustee. If the Trustee does not permit Members to do so (or if any Members do not make a choice), the Trustee will choose the investment options or funds to which the relevant Member's Retirement Account will be linked.

The Trustee will not be liable for any loss arising from a choice of any investment option.

The requirements in this Rule for the Trustee to consult NatWest or obtain the consent of NatWest will not apply if the Trustee considers such consultation will be prejudicial to Members' interests.

4.4 Allocation of expenses

The Trustee will allocate to each Member's Retirement Account:

- 4.4.1 any expenses which NatWest has notified the Member will be met from the Member's Retirement Account; and
- 4.4.2 a fair share of any other expenses of the Plan (except for any expenses that are paid by the Employers), calculated on a basis that the Trustee considers reasonable.

4.5 No segregation of assets

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

5. MEMBER'S RETIREMENT BENEFITS

5.1 Payment of benefits

Normal retirement

If a Member leaves Service on or after reaching age 65 (age 60 in the case of an AA Member), the Trustee will provide immediate benefits for the Member on leaving. However, if the Member asks to defer receiving benefits until a later date, the Trustee will provide benefits at that later date.

A Member who stays in Service after reaching age 75 can choose to receive immediate benefits on reaching that age even if he or she is still in Service. Other Members can choose to receive benefits before leaving Service only if NatWest consents.

Early retirement

A Member may choose to receive benefits before reaching age 65, but only if NatWest agrees and:

5.1.1 the Member leaves Service (unless NatWest agrees that this requirement need not be met); and

5.1.2 either

(a) the Member has reached Normal Minimum Pension Age; or

(b) the Trustee is satisfied, after receiving evidence from a registered medical practitioner, that the Member is (and will continue to be) incapable of carrying on his or her occupation because of physical or mental impairment.

5.2 **Form of benefits**

The Trustee will use a Member's Retirement Account to provide benefits in one or more of the following forms, as requested by the Member (or as chosen by the Trustee if the Member fails to make a choice within 3 months of being required to do so):

5.2.1 a pension payable to the Member;

5.2.2 a lump sum for the Member; or

5.2.3 benefits payable on the Member's death as described in Rule 6 (Benefits on Member's death).

The benefits must all be authorised for the purposes of Part 4 of the Finance Act 2004. NatWest may also restrict the choice of benefits if it decides this is necessary to ensure that the Member's Retirement Account is sufficient to enable the Trustee to secure a pension for the Member by purchasing an annuity or, provided it is an authorised payment for the purposes of the Finance Act 2004, require the Member to take it in the form of a lump sum.

A Member's pension under Rule 5.2.1 (Form of benefits) will be secured by the Trustee in accordance with the provisions of Rule 12.1 (Purchase of pensions).

If the Trustee and NatWest agree, the Member may choose benefits in some other form so long as the benefits are authorised for the purposes of Part 4 of the Finance Act 2004.

5.3 **Flexible payment**

If NatWest agrees, a Member may, choose to use part only of his or her Retirement Account to provide benefits under Rule 5.1 (Payment of benefits) with the balance remaining in the Plan subject to any restrictions or conditions which NatWest notifies to the Trustee apply to this option.

6. **BENEFITS ON MEMBER'S DEATH**

6.1 **Additional benefits on death in Service**

If a Member dies in Service, the Trustee will pay a lump sum equal to:

6.1.1 three times the Member's ValueAccount at the date of the Member's death or such other rate as NatWest notifies to the Trustee from time to time; or

- 6.1.2 any higher amount which the Member has selected for the purposes of NatWest Group Benefits or, where the Member does not participate in NatWest Group Benefits, as otherwise agreed with NatWest; or
- 6.1.3 in the case of an AA Member, any other amount payable in accordance with the Transfer Agreement.

The lump sum will be paid as described in Rule 6.3 (Payment of lump sum death benefits).

However, selection and payment of the benefits described in this Rule 6.1 (Additional benefits on death in Service) are subject to:

- (a) Rule 13.2 (Insurance);
- (b) where the Member participates in NatWest Group Benefits, Rule 13.3 (NatWest Group Benefits); and
- (c) where the Member does not participate in NatWest Group Benefits any restrictions determined by NatWest and notified to the Member.

6.2 **Benefits on death from a Member's Retirement Account**

On the death of a Member, the Trustee will, subject to the remainder of this Rule, use the Member's Retirement Account to provide one or more lump sums.

Any lump sum must be authorised for the purposes of Part 4 of the Finance Act 2004 and will be paid as described in Rule 6.3 (Payment of lump sum death benefits).

The Trustee may (but need not) decide to use part or all of the Member's Retirement Account to provide a pension for one or more of the Member's Dependants or, where the Member dies after the Effective Date, one or more of their Nominees instead of providing a lump sum. Any pension must be authorised for the purposes of Part 4 of the Finance Act 2004 and will be paid as described in Rule 12.1 (Purchase of pensions).

If the Member dies in Service, the benefits under this Rule 6.2 (Benefits on death from Member's Retirement Account) will be payable in addition to the benefits under Rule 6.1 (Additional benefits on death in Service).

6.3 **Payment of lump sum death benefits**

The Trustee will pay any lump sum death benefit to one or more of the Beneficiaries. If the Trustee decides to pay the benefit to more than one of the Beneficiaries, the Trustee will pay it in such shares as it decides.

The "**Beneficiaries**" are:

- 6.3.1 the Member's surviving spouse or civil partner;
- 6.3.2 the Member's grandparents and their descendants, and the spouses, civil partners, widows, widowers and surviving civil partners of those descendants;
- 6.3.3 the Member's Dependants;

- 6.3.4 any person with an interest in the Member's estate, except the Crown, the Duchy of Lancaster or the Duke of Cornwall;
- 6.3.5 any person who is a beneficiary under a trust established by the Member (including one taking effect on his or her death) or any other trust nominated by the Member for this purpose.
- 6.3.6 any person nominated by the Member in writing to the Trustee or the trustee of the AA Scheme or any other occupational pension scheme operated by NatWest or another company in the same group as NatWest (provided the Trustee is aware of such nomination); and
- 6.3.7 any other person, charity or body that the Trustee considers to be appropriate.

The Trustee may use all or part of the amount payable for the benefit of one or more of the Beneficiaries, instead of paying it direct to the Beneficiaries concerned.

So long as only Beneficiaries can become entitled to the benefit, the Trustee may:

- (a) direct that all or part of the lump sum be held by the Trustee or other trustees on such trusts (including discretionary trusts) and with such powers and provisions (including powers of selection and variation) as the Trustee sees fit; or
- (b) pay all or part of the lump sum to the trustees of any other existing trust.

Where the Member dies on or after the Effective Date, if the Trustee does not pay the whole or any part of the benefit to one or more of the Beneficiaries within two years of the Trustee becoming aware of the Member's death then:

- (a) if payment would still be authorised for the purposes of Part 4 of the Finance Act 2004, the Trustee may (but need not) pay all or any part of the amount of the benefit at such time or times as they decide; and
- (b) if payment would not be authorised for the purposes of Part 4 of the Finance Act 2004, or to the extent the Trustee decides not to pay in accordance with (a) above, the amount not distributed will be retained as an asset of the Plan.

6.4 Transfers

The Trustee will make a transfer of the amount to which any person is entitled to on a Member's death, instead of paying the benefit to or in respect of that person if the requirements of Rule 16.2 (Transfers to other pension schemes and arrangements) are satisfied.

7. EARLY LEAVERS

7.1 Preserved benefits

A Member who leaves Service without becoming entitled to immediate benefits will remain entitled to benefits under the Plan if he or she satisfies the preservation requirements (see Rule 7.3 (Preservation requirements)).

The Trustee will provide retirement benefits for the Member, as described in Rule 5 (Member's retirement benefits), on the Member's 65th birthday (60th birthday in the case of an AA Member). However, the Member may choose to start receiving benefits from:

- 7.1.1 a later date; or
- 7.1.2 an earlier date (but not before the Member's Normal Minimum Pension Age, unless the Trustee is satisfied after receiving evidence from a registered medical practitioner that the Member is (and will continue to be) incapable of carrying on his or her occupation because of physical or mental impairment). However, the Member may only choose this option with the consent of NatWest, except where the Member is an AA Member.

If the Member dies before starting to receive benefits under the Plan, death benefits will be provided as described in Rule 6.2 (Benefits on death from a Member's Retirement Account).

However, if NatWest so directs, instead of providing benefits under the Plan, the Trustee will assure them to the Member by means of a transaction which satisfies the requirements of Regulation 6 of the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 (Means of assuring short service benefit).

7.2 **Members who are not entitled to immediate or preserved benefits**

A Member who leaves Service without becoming entitled to immediate or preserved benefits may, regardless of the length of the Member's Qualifying Service, require the Trustee to provide a cash transfer sum in accordance with Chapter 2 of Part 4ZA of the Pension Schemes Act 1993 (Early leavers: cash transfer sums and contribution refunds).

If the Member does not select this option within the period notified to the Member by the Trustee for this purpose, the Member will not receive any benefits under the Plan, except a refund of the proceeds of his or her own voluntary contributions (if any) less tax at such rate as applies from time to time. NatWest may require the Trustee to use the balance of the Member's Retirement Account to meet any liability of the Employers to contribute to the Plan or pay expenses.

7.3 **Preservation requirements**

A Member satisfies the preservation requirements if:

- 7.3.1 the Member leaves Service with at least (i) (if he joined the Plan before 1 October 2015) three months' Qualifying Service; or (ii) (if he joined the Plan on or after that date) 30 days' Qualifying Service; or
- 7.3.2 a transfer payment in respect of the Member's rights under a personal pension scheme has been made to the Plan.

"Qualifying Service" means:

- (a) any period which counts as Qualifying Service for the purposes of Section 71 of the Pension Schemes Act 1993 (Basic principle as to short service benefit); and

- (b) any other period during which contributions are made to the Plan in respect of the Member (other than for the purposes of providing benefits under Rule 6.1 (Additional benefits on death in Service)) and which NatWest designates as Qualifying Service.

8. RIGHT TO TRANSFER OR BUY-OUT

A Member who leaves Service and who is entitled to preserved benefits can require the Trustee to use his or her Retirement Account to buy one or more annuities, or to acquire rights under another occupational pension scheme or a personal pension scheme provided that the transfer is a "recognised transfer" under Section 169 of the Finance Act 2004 (Recognised transfers) This Rule applies even if the Transfer Value Laws do not give the Member a right to a transfer but, where the Transfer Value Laws do give such a right, the Trustee will comply with the Transfer Value Laws.

Once the Trustee has made a transfer in accordance with this Rule 8, it shall be discharged from all the liabilities to which the transfer relates.

9. MEMBERS AWAY FROM WORK

If a Member in continuing Service is away from work for any reason, NatWest will determine the contributions (if any) payable by and in respect of the Member during such period of absence, the benefits payable to and in respect of the Member (including on death in Service during such period of absence) and any date on which the Member is to be treated as leaving Service for the purposes of the Plan. NatWest will notify its decisions to the affected Member and the Trustee and may do so either by way of a decision specific to a Member or group of Members, or by application of a policy applicable to some or all Members.

However, where the absence is due to a period of "family leave":

- (a) NatWest must procure that any relevant policy or decisions comply with all applicable statutory requirements; and
- (b) subject to Rule 13.2 (Insurance), the Member will be treated as remaining in Service for the purposes of Rule 6.1 (Additional benefits on death in Service) for so long as the Employer decides and, for this purpose, and lump sum death benefits will be based on the pay which the Member is receiving unless NatWest notifies the Member otherwise.

10. CEASING TO BE ELIGIBLE

A Member in Service will cease to be eligible if his or her contract of service is varied so that he or she is no longer eligible for membership.

The Member will be treated as having left Service on ceasing to be eligible. However, unless NatWest agrees otherwise, a Member cannot start to receive benefits from the Plan before age 65, unless he or she actually leaves Service.

11. CESSATION OF EMPLOYER CONTRIBUTIONS AND OPTING OUT

11.1 Cessation of Employer contributions

It may be that a Member opts under NatWest Group Benefits (or otherwise on a basis permitted by NatWest) that no Employer contributions should be paid to the Plan in respect of him or her during any particular period. If so, the Member will be treated as having left Service on the day Employer contributions in respect of him or her cease except that:

11.1.1 the Member will remain entitled to death in Service benefits under Rule 6.1 (Additional benefits on death in Service);

11.1.2 NatWest may direct that, where the Member does not elect a cash transfer sum (as described in Rule 7.2 (Members who are not entitled to immediate or preserved benefits)) or exercise his or her rights under Rule 8 (Right to transfer or buy-out) (as appropriate), the Member's Retirement Account should remain invested under the Plan until the Member actually leaves Service (or Rule 10 (Ceasing to be eligible) or 11.2 (Opting out) applies to the Member, if earlier) and that Rule 7 (Early leavers) should then apply; and

11.1.3 unless NatWest agrees otherwise, the Member cannot start to receive benefits from the Plan until he or she actually leaves Service (or reaches age 75, if earlier).

11.2 Opting out

A Member may opt out of the Plan at any time by giving one month's notice to NatWest and the Trustee, or such shorter period of notice that NatWest notifies to the Trustee from time to time.

The Member will be treated as having left Service on the day the notice expires except that:

11.2.1 the Member will remain entitled to death in Service benefits under Rule 6.1 (Additional benefits on death in Service).

11.2.2 unless NatWest agrees otherwise, the Member cannot start to receive benefits from the Plan until he or she actually leaves Service (or reaches age 75, if earlier).

11.2.3 if the Member opts out within a month after being included in the Plan or gives a valid opt-out notice under Section 8 of the Pensions Act 2008 (Jobholder's right to opt out), the Trustee and the Employer will take appropriate action so that the Member is treated as never having joined the Plan.

A Member who opts out will be included in the Plan automatically from the next re-enrolment date if Chapter 1 of the Pensions Act 2008 (Employers' duties) requires the Employer to arrange for the Member to become an active member of an automatic enrolment scheme. The only exception is if the Employee has given a valid opt-out notice under Section 8 of that Act (Jobholder's right to opt out).

A Member who opts out of the Plan may otherwise rejoin only with the specific permission of NatWest.

12. GENERAL RULES ABOUT PENSIONS

12.1 Purchase of pensions

The Trustee will secure all pensions for the Member or their surviving spouse or civil partner, Dependant or Nominee by buying annuity contracts from an insurance company in the name of the Member, surviving spouse or civil partner, Dependant or Nominee unless NatWest and the Trustee agree otherwise. Any such annuity contract will be on such terms as the Trustee decides, subject always to it being authorised for the purposes of Part 4 of the Finance Act 2004.

The Trustee must allow the Member, Dependant or Nominee a reasonable opportunity to choose the insurance company.

If a Member chooses to provide a pension to be paid to a surviving spouse or civil partner, Dependant or Nominee on the Member's death after retirement, the Trustee will normally secure that pension at the same time as they secure the Member's pension. However, the Trustee may secure the survivor's pension at a later date, if permitted under Part 4 of the Finance Act 2004.

12.2 Pension increases

Subject to any applicable legal requirements, pensions will increase in payment at a rate chosen by the Member or other person entitled to receive the pension, or, if the person does not make a choice, at a rate chosen by the Trustee. The rate may be nil.

13. GENERAL RULES ABOUT BENEFITS

13.1 Recovery of tax and other charges

The Trustee may deduct from any payment under the Plan any tax for which the Trustee may be liable in respect of it.

The Trustee may reduce any benefit in respect of which a tax or other charge arises, so as fully to reflect the amount of tax for which the Trustee may be liable in respect of it.

13.2 Insurance

The following provisions will apply if any benefits are insured:

- 13.2.1 the benefits are subject to any restrictions imposed by the person with whom they are insured;
- 13.2.2 the benefits will not be paid to or in respect of a Member if the Trustee cannot get insurance for that Member or cannot get insurance at a cost which NatWest and the Trustee agree to be reasonable; and
- 13.2.3 the benefits will in any event be restricted to the amounts paid out by the person with whom they are insured (and if the total amount paid out by such person relates to more than one Member, the Trustee will allocate the

amount paid to the affected Members in a manner which it determines to be reasonable).

13.3 **NatWest Group Benefits**

Where these Rules refer to the Member having selected a benefit or rate of Employer contributions under or for the purposes of NatWest Group Benefits the following will apply:

- 13.3.1 the benefit or contribution will only be paid, if the Member's election has been validly made and accepted for the purposes of NatWest Group Benefits,
- 13.3.2 the benefit or contribution will be subject to any terms and conditions imposed under NatWest Group Benefits (including, in particular, as to eligibility or the date when any change in the rate of contributions or level of benefit takes effect); and
- 13.3.3 benefits selected under NatWest Group Benefits and payable on death in Service will be payable only if the Member dies in Service and, at the date of death, the Member's election under NatWest Group Benefits remains valid and effective in accordance with the terms of NatWest Group Benefits.

NatWest's decision as to whether the terms of this Rule have been complied with will be final (except that NatWest may (but need not) waive any of these requirements).

13.4 **Evidence of health**

Whether or not a benefit is insured, the Trustee may, with the consent of NatWest, decide that any benefit payable under Rule 2.2 (Joining for death-in-service benefits only) or Rule 6.1 (Additional benefits on death in Service) will be limited for any Member who fails to provide evidence of good health satisfactory to the Trustee (or any insurer), or whose death results from a cause specified in a notice to Members.

13.5 **Assignment, forfeiture, etc**

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

However, there are exceptions to the restrictions imposed by Sections 91 to 93 of the Pensions Act 1995 (Assignment and forfeiture, etc). To the extent permitted by those exceptions:

- 13.5.1 an Employer may require the Trustee to reduce or forfeit a person's benefits if the person owes money to the Employer and the debt arises from a criminal or fraudulent act or omission (in which case the Trustee will pay the Employer an amount equal to the debt or, if less, the value of the person's benefits or, if the Employer so directs, this amount will be used to meet any liability of the Employer to contribute to the Plan or to pay expenses);

- 13.5.2 the Trustee may reduce or forfeit a person's benefits if the person owes money to the Plan;
- 13.5.3 the Trustee may forfeit any benefits that are payable in respect of a Member to a person who is convicted of the Member's murder or manslaughter, or any other offence of which unlawful killing of the Member is an element (including aiding, abetting, counselling or procuring the Member's death);
- 13.5.4 the Trustee will forfeit any benefit if the person entitled to the benefit does not claim it within six years of the date on which it becomes due; and
- 13.5.5 the Trustee may also reduce or stop a person's benefits in any other circumstances allowed by law.

13.6 **Beneficiary who is incapable**

If the Trustee considers that a person cannot look after his or her affairs (because of illness, mental disorder, age or otherwise), they may use any amounts due to that person for his or her benefit or may pay them to some other person to do so. The Trustee may also make, for the person concerned, any choice which that person has under the Plan.

However, the Trustee may pay a benefit to a child who has reached age 16 and, if the Trustee does so, it will be discharged from liability in respect of such benefit, notwithstanding that the child may not have reached the age of majority.

13.7 **Tax status of the Plan**

13.7.1 **Registered pension scheme**

The Plan is a "registered pension scheme" for the purposes of Part 4 of the Finance Act 2004. If (without this Rule) the Trustee would be required to make a payment under the Plan that would be "unauthorised" by virtue of Section 160 of that Act (Payments by registered pension schemes), the payment will be treated as discretionary and will not be made unless the Trustee and NatWest agree otherwise (which they need not do). If an amount that would otherwise be payable or transferable would be "unauthorised", NatWest may (but need not) direct the Trustee under Rule 15 (Discretionary Benefits) to provide an alternative benefit to or in respect of the person concerned on such terms as NatWest thinks fit.

13.7.2 **Non-UK Approvals**

The Trustee will also obtain any other tax or regulatory approvals for the Plan (which shall be deemed to include without limitation any relevant authorisations or registrations applicable to the Plan) in any jurisdiction outside the United Kingdom (each a "**Non-UK Approval**") which NatWest directs the Trustee to obtain or which the Trustee reasonably believes is necessary.

Notwithstanding anything else in these Rules, where such Non-UK Approvals are obtained in respect of any Member, NatWest and the Trustee will comply with any requirements (including any restrictions as to the amount and form of benefits and contributions) imposed as a condition of such Non-UK Approvals. However, such requirements shall apply only in

respect of Members in respect of whom such Non-UK Approvals are obtained ("**Affected Members**").

In particular, for Affected Members in respect of whom Non-UK Approvals have been obtained in each of the jurisdictions stated at (a) to (c) below, the following provisions shall apply:

- (a) in the Isle of Man, Rules 13.7.2.1 – 13.7.2.6 (inclusive) shall apply;
- (b) in Jersey and Guernsey, Rules 13.7.2.1 – 13.7.2.4 (inclusive) and Rule 13.7.2.6 shall apply; and,
- (c) in Gibraltar, Rule 13.7.2.3 and Rule 13.7.2.4 only shall apply,

13.7.2.1 benefits payable to and in respect of such Affected Members under Rule 5 (Member's Retirement Benefits), Rule 6 (Benefits on Member's death) and Rule 7 (Early leavers) will be put into payment no later than the Member's 75th birthday;

13.7.2.2 benefits in pension form under Rule 6.2 (Benefits on Member's death) shall not be payable on the death of such Affected Members to a Nominee;

13.7.2.3 no deductions are allowed from the Retirement Accounts of Affected Members under Rule 13.8;

13.7.2.4 the Trustee and NatWest will not exercise their power under Rule 1 (Interpretation) to extend the definition of a Dependant, so far as it applies in respect of an Affected Member, in a way which is inconsistent with the requirements of any relevant Non-UK Approval;

13.7.2.5 lump sum death benefits payable under Rule 6 (Benefits on Member's death) must be paid no later than the second anniversary of the Member's death; and

13.7.2.6 Rule 6.4 (Transfers), and Rule 16.2 (Transfers to other pension schemes and arrangements) in so far as it relates to a transfer out by any person entitled to benefits on a Member's death only, shall not apply,

unless in each case the relevant tax authority agrees otherwise (either generally or in any specific case) and subject to any conditions which the relevant tax authority requires and which NatWest and the Trustee agree to.

13.8 **Deductions from Member's Retirement Account for pensions advice**

The Trustee may (but need not) permit deductions to be made from a Member's Retirement Account and may use those deductions to facilitate the payment of fees and charges relating to financial advice provided to a Member, except that no deduction or payment may be made under this Rule 13.8 if it would give rise to an unauthorised payment for the purposes of Part 4 of the Finance Act 2004.

14. PENSION SHARING ON DIVORCE

14.1 Compliance with pension sharing orders

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

14.2 Benefits under the Plan

If the Trustee provides benefits for the former spouse or civil partner under the Plan, the benefits will be provided separately from any other benefits to which the former spouse or civil partner may be entitled under the Plan.

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

It may be that the Trustee intends to discharge its liability to the former spouse or civil partner by making a transfer payment to another pension arrangement, but the former spouse or civil partner dies before the payment is made. If this happens, the Trustee may (but need not) use the intended transfer payment to provide benefits in respect of the former spouse or civil partner in any of the ways allowed by the Welfare Reform and Pensions Act 1999. If any part of the intended transfer payment is not used in this way, NatWest may direct the Trustee to use it to pay expenses of the Plan or to meet any liability of the Employers to contribute to the Plan or pay expenses.

14.4 Overseas orders

The Trustee may (but need not) apply this Rule 14 (Pension sharing on divorce) (modified as the Trustee determines to be necessary) where a similar order is made in respect of a Member under the laws of another jurisdiction.

15. DISCRETIONARY BENEFITS

If NatWest directs and the Employers pay any additional contributions that the Trustee considers necessary, the Trustee will provide:

- 15.1.1 increased or additional benefits or contributions in respect of any Member or Members;
- 15.1.2 benefits or contributions in respect of any Member or Members different, or on different terms (including as to time of payment), from those that would otherwise be provided under the Plan; or
- 15.1.3 benefits or contributions in respect of any Employee or former Employee or any spouse, civil partner, Dependant or Nominee of a former Employee (or for any other person for whom an Employer wishes to provide benefits).

Any benefits provided under this Rule must be consistent with the Preservation and Transfer Value Laws and authorised for the purposes of Part 4 of the Finance Act 2004.

16. TRANSFERS

16.1 Transfers from other pension schemes and arrangements

NatWest may direct the Trustee to accept a transfer of assets or surrender value in respect of any person from another pension scheme or arrangement.

In the case of a Member who has not started to receive benefits under the Plan, the Trustee will add the assets or surrender value to the Member's Retirement Account. In any other case, the Trustee will use the assets or surrender value to provide benefits (or additional benefits) for the person concerned, as agreed with NatWest. The benefits must comply with the Preservation and Transfer Value Laws, and be consistent with the Plan's tax status as a registered pension scheme under Part 4 of the Finance Act 2004.

16.2 Transfers to other pension schemes and arrangements

Instead of providing benefits under the Plan in respect of any person, the Trustee will,

- (a) if NatWest directs; or
- (b) a person entitled to benefits or the Trustee so requests and NatWest consents; or
- (c) if it is required by legislation,

transfer assets to another pension scheme or arrangement or to an insurance company, so that benefits will be provided under the other scheme or arrangement, or by the insurance company, in respect of the person concerned. If NatWest consents as described above or directs, the Trustee will transfer assets in respect of part only of a person's benefits under the Plan.

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

The transfer payment will be calculated as follows:

- 16.2.1 in the case of a Member who has a Retirement Account, the transfer payment cannot exceed the value of the Member's Retirement Account;
- 16.2.2 in the case of a person entitled to benefits on the Member's death, the value of the Member's Retirement Account plus any lump sum payable on the Member's death (provided that the transfer payment in respect of any person cannot exceed the amount to which that person is entitled on the Member's death); and
- 16.2.3 in any other case, as NatWest directs.

Where Rule 16.2.1 or Rule 16.2.2 applies, NatWest may direct that a greater amount will be transferred subject to:

- (a) the Trustees being provided with the assets or being directed by NatWest to use surplus assets as provided at Rule 17.5 (Surplus assets) to pay the greater amount; and

- (b) if the greater amount is met by allocating surplus assets of the Plan to the Retirement Accounts of any Members or making a transfer of surplus assets in addition to Members' Accounts for the purposes of the receiving arrangement, the transfer of any surplus assets in this way is a "recognised transfer" under Section 169 of the Finance Act 2004 (Recognised transfers).

17. ASSETS OF THE PLAN

17.1 Assets held on trust

The Trustee will hold all the contributions and other assets which it receives and the property representing them and all the income on trust for the purposes of the Plan.

17.2 Management of assets

For the purposes of the Plan (but subject to the following paragraphs of this Rule), the Trustee may, in any part of the world, alone or together with others:

- 17.2.1 acquire and dispose of any property (tangible or intangible, movable or immovable), whether or not it produces income;
- 17.2.2 enter into any contract or incur any obligation;
- 17.2.3 lend or borrow money or other property for any purpose (including acquiring assets);
- 17.2.4 grant any mortgage or charge over or give any right of recourse against any or all of the assets of the Plan;
- 17.2.5 form and finance any company;
- 17.2.6 carry on and finance any business;
- 17.2.7 insure assets of the Plan for any amount against any risk;
- 17.2.8 enter into any form of derivatives contracts (whether on or off exchange) as the Trustee thinks fit including (but not limited to) swap contracts and they may enter into all such arrangements necessary to give effect to such contracts including the deposit of assets as security.
- 17.2.9 keep assets in nominee names; and
- 17.2.10 exercise its powers under Section 34(1) of the Pensions Act 1995 (Power of investment and delegation) to make an investment of any other kind as if they were absolutely entitled to the assets of the Plan.

The Trustee will exercise these powers after consultation with NatWest in accordance with Sections 36 and 40 of the Pensions Act 1995 (Choosing investments and Restriction on employer-related investments).

The Trustee will insure its liability to provide death-in-service benefits under Rule 2.2 (Joining for death-in-service benefits only) and Rule 6.1 (Additional benefits on death in Service) with an insurance company chosen by the Trustee and agreed with NatWest.

If the value of a Member's Retirement Account is linked to one or more investment options, the Trustee will invest an amount equal to the Member's Retirement Account in assets that correspond to the chosen options.

17.3 Plan expenses

17.3.1 General rule

Subject to Rule 17.3.2 (Direction by NatWest), the Employers will pay the expenses of the Plan in such shares as NatWest directs. This includes all expenses and liabilities incurred by a trustee or former trustee or their officers and employees (including former officers and employees) through acting as a trustee of the Plan, but does not include:

- (i) expenses or liabilities incurred through fraud or deliberate wrongdoing or expense liabilities which are met by insurance obtained under Rule 18.6 (Trustee insurance); or
- (ii) expenses which NatWest has notified the Member and the Trustee are to be met from the Member's Retirement Account.

If the Employers do not pay any expenses or liabilities for which they are liable, the Trustee will pay them (or reimburse itself) from the Plan's assets. The Employers will reimburse the Trustee for any expenses and liabilities that are paid from the Plan's assets, in such shares as the Trustee decides. If any expenses cannot be recovered from the Employers, the Trustee will allocate to each Member's Retirement Account a fair share (determined by the Trustee) of those expenses and liabilities.

For the purposes of this Rule, an Employer may at its option pay expenses either by making funds available to the Trustee and directing the Trustee to use them to meet the expenses, or by meeting the expenses direct.

17.3.2 Direction by NatWest

NatWest may at any time direct that the Employers will no longer pay some or all expenses or liabilities of the Plan which were previously met by the Employers. If this happens, the Trustee will pay such expenses or liabilities (or reimburse itself) from the Plan's assets. The Employers will not be liable to reimburse the Trustee for any such expenses or liabilities.

17.3.3 Restriction on payment of expenses and liabilities from the Plan's assets

In spite of any other provision of these Rules no amount may be paid from the Plan's assets to reimburse any person for fines or penalties of the kind mentioned in Section 256 of the Pensions Act 2004 (trustees not to be indemnified for fines or civil penalties).

17.4 Accounts

The Trustee will prepare accounts of the Plan and have them audited.

17.5 **Surplus assets**

It may be that from time to time there are assets of the Plan that are not attributable to a particular Member's Retirement Account (e.g. because a Member has died and there is no Dependant, Nominee or other person to whom the Trustee can pay benefits that would be authorised in respect of the Member under Part 4 of the Finance Act 2004). If this happens, NatWest may require the Trustee to use those assets to pay expenses of the Plan, to meet any liability of the Employers to contribute to the Plan or to transfer it to another arrangement provided that this would be a "recognised transfer" for the purposes of the Finance Act 2004 and subject to Rule 16.2 (Transfers to other pension schemes and arrangements).

18. **TRUSTEES**

18.1 **Appointment and removal**

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

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

18.2 **Exercise of powers**

The Trustee may act by majority vote except that where the Trustee is a sole corporate trustee, it will act in accordance with its Articles of Association.

The Trustee may, with the consent of NatWest, delegate powers, duties or discretions to any person and on any terms (including terms that allow the delegate to sub-delegate). However, the consent of NatWest will not be required if this would be contrary to Section 35 of the Pensions Act 1995 (Investment principles).

18.3 **Trustee charges**

A trustee or trustee director who carries on a profession or business may charge for services provided to the Plan on a basis agreed with NatWest, as also may a company or firm in which a trustee or trustee director is interested. These charges will be treated as expenses of the Plan, and paid as described in Rule 17.3 (Plan expenses).

18.4 **Limit of liability**

A trustee will not be liable for any breach of trust except a breach of trust due to the Trustee's fraud or deliberate wrongdoing.

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

18.5 Indemnity and protection from loss

To the extent permitted by law, Employers will jointly and individually indemnify each trustee and former trustee and their officers and employees against any expenses and liabilities that they may incur through acting as a trustee of the Plan (or an officer or employee of the trustee) but which, for any reason, cannot be met from the Plan's assets. However, this does not apply to any expenses or liabilities that are incurred through the person concerned's fraud or deliberate wrongdoing or covered by insurance under Rule 18.6 (Trustee insurance). This is subject to any applicable restrictions under the Companies Act 1985 or the Companies Act 2006.

18.6 Trustee insurance

If NatWest agrees, the Trustee may insure the Plan against any loss caused by the Trustee. The Trustee may also insure itself against liability for breach of trust not involving fraud or deliberate wrongdoing.

The Trustee may pay the premiums for this insurance from the Plan's assets. However, the Trustee cannot use the Plan's assets to pay any premium for insurance against liability for fines or penalties of a kind mentioned in Section 256 of the Pensions Act 2004 (No indemnification for fines or civil penalties).

If the Trustee is insured, it will waive the protection of Rule 18.4 (Limit of liability).

18.7 Corporate trustee

Where there is a corporate trustee, none of the officers and employees of the corporate trustee will be liable for any breach of trust other than their own fraud or wilful wrongdoing and the Trustee may insure the Plan against any loss caused by those officers and employees and pay the premiums from the Plan's assets. This Rule does not apply, however, if the corporate trustee is a Trustee which is paid on a fully commercial basis.

18.8 Trustee paid on a fully commercial basis

In this Rule, a "Professional Trustee" means a Trustee (or director or officer of a corporate trustee) who is paid on a fully commercial basis for his or her services in relation to the Plan.

In spite of Rule 18.4 (Limit of liability) and Rule 18.7 (Corporate trustee), a Professional Trustee will also be liable for negligence. In spite of Rule 17.3 (Plan expenses) and Rule 18.5 (Indemnity and protection from loss), a Professional Trustee will not be reimbursed from the Plan's assets for expenses or liabilities incurred as a result of its own negligence and the Employers will not indemnify a Professional Trustee against any expenses or liabilities which are incurred through the Professional Trustee's own negligence.

NatWest's decision as to whether a person is a Professional Trustee for the purposes of this Rule will be final. NatWest may also decide to waive any or all of the provisions of this Rule 18.8.

18.9 Trustee indemnities

The Trustee may give an indemnity to a third party out of the assets of the Plan in connection with any powers and discretions conferred upon it by this Rule.

19. PARTICIPATING EMPLOYERS

19.1 Inclusion in the Plan

NatWest may allow any employer to participate in the Plan. An employer wishing to participate in the Plan must agree by deed to comply with the Rules.

19.2 Ceasing to participate

An Employer may cease to participate in the Plan at any time by written notice to the Trustee, and will cease to participate if required to do so by NatWest.

When an employer ceases to participate in the Plan, any Members who are then employed by that employer will become entitled to benefits as if they had then left Service.

20. NEW PRINCIPAL EMPLOYER

The Trustee may allow another employer or holding company to take over the role of NatWest in relation to the Plan. However, this requires the agreement of NatWest, unless it has been dissolved .

21. TERMINATION OF THE PLAN

21.1 Time of termination

NatWest may terminate the Plan at any time by written notice to the Trustee.

The Trustee will terminate the Plan if NatWest goes into liquidation, unless another employer or a holding company agrees to take over the role of NatWest in relation to the Plan.

21.2 Effect of termination

Any Members who are in Service when the Plan terminates will be treated as having left Service.

After the Plan terminates, the Trustee will continue to provide benefits in accordance with the Rules. However, no further contributions will become payable, and the Employers will have no liability to meet expenses under the Plan, unless they choose to do so.

21.3 Re-opening the Plan

At any time before the Trustee decides to wind up the Plan, the Trustee and NatWest (or any new principal employer) may agree to re-open the Plan, so that Employees can again start qualifying for benefits.

22. WINDING UP THE PLAN

22.1 Time of winding up

The Trustee may, with the consent of NatWest, decide to wind up the Plan at any time after the Plan is terminated.

The Trustee will wind up the Plan at any time if so directed by NatWest.

The Trustee will continue to provide benefits in accordance with the Rules, and Rule 23 (Changing the Rules) will continue to apply, until the Plan has been wound up and all the benefits secured. If NatWest is dissolved before the winding up is completed, the Trustee may exercise any powers given to NatWest, unless another employer or a holding company has taken over the role of NatWest in relation to the Plan.

22.2 Use of assets

When the winding up starts, the Trustee will set aside sufficient assets to pay the expenses of the Plan until the winding up has been completed. The Trustee will then use the rest of the Plan's assets as described in Rules 22.3 to 22.6.

22.3 Securing benefits with insurance policies and annuity contracts

The Trustee will buy an insurance policy or annuity contract in the name of each person entitled to benefits under the Plan, except those for whom the Trustee pays a lump sum under Rule 22.4 (Winding-up lump sums) or makes a transfer under Rule 22.5 (Transfers to other pension schemes and arrangements). If the Trustee has bought suitable policies or contracts before the winding-up starts, the Trustee may transfer them into the names of people entitled to benefits.

The policies and contracts must comply with the Preservation Laws and be consistent with the Plan's tax status as a registered pension scheme under Part 4 of the Finance Act 2004. The annuity contracts bought for pensioners must provide benefits that are as nearly as practicable the same as the benefits that would otherwise have been provided for, and in respect of, the pensioners under the Plan.

22.4 Winding-up lump sums

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

22.5 Transfers to other pension schemes and arrangements

When winding up the Plan, the Trustee may make transfer payments in accordance with Rule 16.2 (Transfers to other pension schemes and arrangements) in respect of all or any of the people entitled to benefits under the Plan, instead of buying insurance policies or annuity contracts.

22.6 Surplus assets

If any assets of the Plan remain after all benefits have been provided in full, the Trustee will pay them to NatWest or, if NatWest has been dissolved, to the other Employers in such shares as the Trustee decides. The requirements of Section 76 of the Pensions Act 1995 (Excess assets on winding up) must be satisfied before any payment is made to the Employers.

23. CHANGING THE RULES

NatWest may change or replace these Rules at any time (and, subject to Sections 67 to 67I of the Pensions Act 1995 (The subsisting rights provisions), may do so retrospectively).

Where NatWest changes or replaces any Rules which affect the benefits of any AA Members, the consent of the Trustee shall be required in respect of any changes or replacements so far as they relate to that category of Member other than where the changes apply as a result of an election by the Member under NatWest Group Benefits.

NatWest will tell the Trustee about any changes. However, no action of the Trustee taken before such notification will be invalidated by the change.

Changes to the Rules must be made or confirmed by deed.

24. **GOVERNING LAW**

English law governs the Plan and its administration.