

DATED 16 APRIL 2013

THALES UK LIMITED (1)  
and  
THALES PENSION TRUSTEES LIMITED (2)

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DEED OF AMENDMENT  
relating to  
the THALES UK PENSION SCHEME  
(Pensions Act 2008 qualifying scheme  
underpin)

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**Wragge&Co**

THIS DEED OF AMENDMENT is made on 16 APRIL 2013

**BETWEEN:**

- (1) **THALES UK LIMITED** (No. 868273) whose registered office is at 2 Dashwood Lang Road, The Bourne Business Park, Addlestone, Weybridge, Surrey KT15 2NX (“the Principal Employer”); and
- (2) **THALES PENSION TRUSTEES LIMITED** (No. 6466974) whose registered office is at 2 Dashwood Lang Road, The Bourne Business Park, Addlestone, Weybridge, Surrey, KT15 2NX (“the Trustees”).

**INTRODUCTION**

- (A) The Scheme was established by a Definitive Deed and Rules dated 9 January 2008 and it is now administered in accordance with the Second Definitive Deed and Rules dated 30 June 2008 (as amended from time to time in accordance with the Schedule attached to this Deed) (“the Rules”).
- (B) The Trustees are the current trustees of the Scheme.
- (C) The Principal Employer is the current principal employer of the Scheme.
- (D) Under the terms of Rule 5 of Part A of the Rules, the Principal Employer, with the consent of the Trustees, may by deed change all or any of the provisions of the Scheme.
- (E) The Principal Employer wishes to use the Scheme as a qualifying scheme under section 16 of the Pensions Act 2008 (a “Qualifying Scheme”) in respect of certain active members of the Scheme.
- (F) In order to be a Qualifying Scheme, the Scheme has to meet certain quality tests set out in the Pensions Act 2008 and underlying regulations. These specify, amongst other factors, that CARE schemes have to meet a statutory revaluation test in relation to active members’ accrued CARE benefits in order to be considered a Qualifying Scheme.
- (G) The Scheme’s current method of revaluing active members’ accrued CARE benefits may not meet the requirements set out in the Pensions Act 2008 and underlying regulations. The Rules will therefore be amended to introduce an underpin to ensure the revaluation of active members’ accrued CARE benefits in the Scheme meets the statutory revaluation test for the revaluation of active members’ accrued CARE benefits.
- (H) The Principal Employer and the Trustees have therefore agreed to amend all of the Schedules to Part E and Part F of the Rules to incorporate a new condition to the definition of CARE Pension to introduce an underpin with effect on and after 1 April 2013.
- (I) None of the amendments made by this Deed offend the restrictions to the powers to amend the Scheme contained in Parts A, B or C of the Rules or require the execution of this Deed by the Section 1 Trustees and / or the Section 2 Trustees.
- (J) None of the amendments made by this Deed are regulated, protected or detrimental modifications for the purposes of sections 67 to 67I of the Pensions Act 1995.

- (K) The Scheme actuary has given a confirmation pursuant to section 37 of the Pension Schemes Act 1993 which is appended to this deed.

## **LEGAL EFFECT OF THIS DEED**

### **1 Amendments made by this Deed**

- 1.1 By this Deed the Principal Employer with the consent of the Trustees, pursuant to the power to amend the Scheme under Rule 5 and any other enabling power hereby **AMENDS** the Rules in respect of the CARE Benefits set out in clause 2 below in each of the Appendices One to each of:

- (a) Schedules One to Five inclusive of Part E of the Rules; and
- (b) Schedules One to Four inclusive of Part F of the Rules

with effect on and from 1 April 2013 (the “Effective Date”).

- 1.2 Clause 3 of this Deed applies to all of the provisions of this Deed.

### **2 New condition added to the Calculation of CARE Pension**

- 2.1 A new condition is added as a new Rule 4.1(iii) of each Appendix One to each of:

- (a) Schedules One to Five inclusive of Part E of the Rules; and
- (b) Schedules One to Four inclusive of Part F of the Rules

as set out below:

“(iii) The CARE Pension shall be an amount that is not less than the amount that would have resulted if, with effect from 1 April 2013, the minimum rate of revaluation of accrued CARE benefits as prescribed in regulation 36(4) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010 (the “AE Regulations”) applied.”

### **3 General Conditions**

- 3.1 The amendments made by this Deed will apply to all of the Active CARE Members of the Scheme with effect on and from the Effective Date. For the avoidance of doubt, this Deed does not apply to any Former TPP Category 1 Beneficiaries of the Scheme entitled to GAD Benefits.

- 3.2 Words and phrases used in this Deed which are not defined in this Deed have the same meanings in this Deed as they have in the Rules.



- 3.3 If (were it not for this clause 3) any amendment or addition to the Rules set out in this Deed would adversely affect any Member or Beneficiary of the Scheme in respect of his subsisting rights (as defined in section 67A(6) of the Pensions Act 1995) acquired before the Effective Date, such amendment or addition to the Rules will not apply to such a Beneficiary or Member but only to the extent that it would have such an adverse effect.

- 3.4 If any part of this Deed is held to be invalid or unenforceable, the rest of this Deed will be construed (to the maximum extent possible after making suitable grammatical and other minor consequential changes) as if it had been executed omitting the invalid or unenforceable words and will remain in full force and effect.
- 3.5 This Deed may be entered into in the form of two or more counterparts each executed by one or more signatories but, taken together, executed by all of them and, provided each signatory duly executes such a counterpart, each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but taken together, they will constitute one instrument.

IN WITNESS of the above this deed has been executed by or on behalf of the parties and delivered on the date written at the beginning of this Deed.


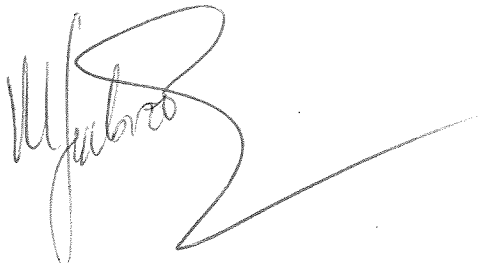
SIGNED as a DEED by

THALES UK LIMITED acting by a Director and its Secretary (or two Directors)

Director   
Director/Secretary 

SIGNED as a DEED by

THALES PENSION TRUSTEES LIMITED acting by a Director and its Secretary (or two Directors)

Director   
Director/Secretary 

**SCHEDULE**  
**LIST OF SCHEME DEEDS**

9 January 2008	First Definitive Deed and Rules
30 June 2008	Second Definitive Deed and Rules
18 June 2009	Deed of Amendment (Upper Earnings Limit)
18 June 2009	Deed of Amendment (Former Racial Members: dependants' pensions and enhanced revaluation)
31 March 2010	Deed of Amendment (Pension Deduction)
5 April 2012	Deed of Amendment (CARE Salary/DC Salary, part timers, death benefits and trivial commutation)
5 April 2012	Deed of Amendment (TTP GAD Members - option on late retirement)
15 February 2013	Deed of Amendment (Partial transfer of AVCs/Calculation of Death Benefits)

# Actuarial Certificate

## Effect of Scheme Amendment

Actuarial Certificate given for the purposes of Regulation 42, The Occupational Pension Schemes (Contracting-Out) Regulations 1996

Name of Scheme

Thales UK Pension Scheme

To: The Trustees of the Thales UK Pension Scheme ("the Scheme")

As actuary to the Scheme, appointed under Section 47 of the Pensions Act 1995, I am required under Regulation 42 of the Occupational Pension Schemes (Contracting-Out) Regulations 1996 to confirm in writing the effect on the Scheme of the amendment described in the draft deed of amendment (Pensions Act 2008 qualifying scheme underpin).

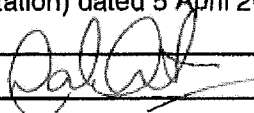
For the purposes of Section 37(1) of the Pension Schemes Act 1993 ("the 1993 Act") (prohibition on alteration of rules of contracted-out schemes unless the alteration is of a prescribed description), I can confirm the following:

- 1 In respect of all previous rule amendments, the Scheme has satisfied the statutory standard in accordance with section 12A of the 1993 Act and will continue to do so if the alterations are made.
- 2 The Scheme has satisfied the conditions of section 9(2B) of the 1993 Act and the alteration does not otherwise prevent the Scheme from satisfying those conditions.

I have based this certification on the following information, data and documents:

- Draft Deed of Amendment ref Legal01.592126.2074492
- Second Definitive Deed and Rules relating to the Thales UK Pension Scheme dated 30 June 2008
- Deed of Amendment relating to the Thales UK Pension Scheme (Pension Deduction) dated 31 March 2010
- Deed of Amendment relating to the Thales UK Pension Scheme (CARE Salary/DC Salary, part-timers, death benefits and trivial commutation) dated 5 April 2012

Signature



Name

Mark Condon

Qualification

Fellow of the Institute and Faculty of Actuaries

Date of signing

26 March 2013