

DATED 5 APRIL 2012

THALES UK LIMITED (1)

and

THALES PENSION TRUSTEES LIMITED (2)

DEED OF AMENDMENT

relating to

the THALES UK PENSION SCHEME

(TPP GAD Members - options on late
retirement)

THIS DEED OF AMENDMENT is made on 5 APRIL

2012

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 Thales UK Pension Scheme (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) Under the Rules, former Category 1 Beneficiaries of the Thomson Pension Plan (“TPP”) (“Former GAD Members”) who, with the consent of his Employer, elects to postpone retirement from service with an Employer participating in the Scheme beyond their Normal Retirement Date are entitled to the pension they would have received at their Normal Retirement Date subject to an actuarial increase to reflect the period of postponement. These Former GAD Members will also be given an option to draw their pension while remaining in Service beyond their Normal Retirement Date (“NRD”).
- (F) Under the Rules, there is no provision for continued accrual in the Scheme for Former GAD Members after their NRD. The Principal Employer and Trustees have decided to amend the Rules to give Former GAD Members the option to continue accrual in the Scheme after their NRD subject to the Former GAD Member paying the appropriate level of contributions. This will be an alternative option to receiving an actuarial uplift to their benefits on the postponement of their retirement.
- (G) The Principal Employer and the Trustees have therefore agreed to amend Rule 2.5 of Schedule 1 of Part F of the Rules to provide Former GAD Members with the option outlined above.
- (H) 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.
- (I) 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.

- (J) The Scheme actuary has given a confirmation pursuant to section 37 of the Pension Schemes Act 1993 which is appended as appendix 1 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 **AMENDS** Rule 2.5 of Schedule 1 of Part F of the Rules, adds Rules 2.6 and 2.7 to Schedule 1 of Part F of the Rules and amends Rule 2.2(a) of Appendix 3 of Schedule 1 of Part F of the Rules.
- 1.2 The amendments made in this deed are made with effect on and from the date of this deed and only apply in respect of Former GAD Members who are in Pensionable GAD Service (as defined in clause 3.1 of Appendix 3 to Schedule 1 of Part F of the Rules) as at the date of this deed.

2 Late retirement provisions

- 2.1 Rule 2.5 of Schedule 1 of Part F of the Rules is amended by adding the following new sentence at the end of the first sentence of that rule:

“An exception to the general application of the terms which applied in TPP to Former TPP Category 1 Beneficiaries is in respect of late retirement from service with an Employer participating in the Scheme. Rule 4 of Part III of the Category 1 Rules of the Thomson Pension Plan dated 25 July 2002 (the “Category 1 Rules”) is amended as set out in Rules 2.6, 2.7 and 2.8 below.”

- 2.2 A new Rule 2.6 of Schedule 1 of Part F of the Rules is added as set out below:

“2.6 For the purposes of administering GAD Benefits earned in TPP by Former TPP Category 1 Beneficiaries before 1 July 2008 and GAD Benefits earned in Section 2 of the Scheme after 30 June 2008 the definition of ‘Postponed Pensioner’ contained in Part I of the Category 1 Rules will be deemed to have been deleted in its entirety and replaced with the following:

“ “Postponed Pensioner”

means a person who was a Member and who elected (with the consent of his Employer) to remain in Service after his Normal Retirement Date and to become a Postponed Pensioner under Rule 4(1)(a) of Part III but has not started to receive his benefits from the Plan and is entitled to receive the benefits set out in Rules 4(2) to 4(4) of Part III or a person who is treated as such a person by reason of a transfer payment received by the Trustees under Rule 1 of Schedule I to the Trust Deed.”

- 2.3 A new Rule 2.7 of Schedule 1 of Part F of the Rules is added as set out below:

“2.7 For the purposes of administering GAD Benefits earned in TPP by Former TPP Category 1 Beneficiaries before 1 July 2008 and GAD Benefits earned in Section 2 of the Scheme after 30 June 2008, Rule 4(1) will be deemed to have been deleted in its entirety and replaced with the following:

“4 (1) If a Member, with the consent of his Employer, elects to continue in Service with an Employer until after his Normal Retirement Date he

may elect in writing by notice to the Trustees no later than the day before his Normal Retirement Date (or such other date as his Employer and the Trustees may agree) to either:

- (a) leave Pensionable Service as a Member on his Normal Retirement Date and be treated as either a Pensioner or a Postponed Pensioner on his Normal Retirement Date; or
- (b) remain in Pensionable Service and continue to be treated as a Member upon the terms set out in Rule 4A.

Conditions:

- (i) If a Member makes no election under this Rule 4, the Trustees will treat the Member as if he had left Pensionable Service as a Member on his Normal Retirement Date and he will become a Postponed Pensioner on the terms set out in Rules 4(2) to 4(4) of Part III of the Category 1 Rules.
- (ii) The option to be treated as a Pensioner under Rule 4(1)(a) can only be exercised by the Member with the consent of the Principal Employer.

2.4 A new Rule 2.7 of Schedule 1 of Part F of the Rules is added as set out below:

“2.7 For the purposes of administering GAD Benefits earned in TPP by Former TPP Category 1 Beneficiaries before 1 July 2008 and GAD Benefits earned in Section 2 of the Scheme after 30 June 2008, a new Rule 4A of Part III of the Category 1 Rules will be added as set out below:

“4A Late retirement and continued accrual

- (1) This Rule 4A applies to a Member who elects to remain in Pensionable Service and continue to be treated as a Member in Pensionable Service under Rule 4(1)(b). Such a Member will be treated as a Member in Pensionable Service until the earlier of:
 - (a) the date he leaves Pensionable Service; and
 - (b) his 75th birthday

Conditions:

- (i) The Member will continue to be treated as a Member in Pensionable Service and will continue to make contributions under Rule 3 of Part II.
- (ii) A Member’s Pensionable Service must cease on his 75th birthday even if he remains in the employment of his Employer.
- (iii) The Member’s pension will start on the earlier of:
 - (A) the day after he elects for his pension to start; or
 - (B) his 75th birthday.
- (iv) When a Member to which this Rule 4A relates leaves Pensionable

Service his pension will be calculated under Rule 1 of Part III except that for these purposes Final Pensionable Salary shall mean the highest amount of a Member's Pensionable Salary received in any consecutive period of twelve months during the three year period immediately preceding his retirement, leaving Pensionable Service or death (whichever event occurs first).

- (v) If a Member to which this Rule 4A relates dies after his Normal Retirement Date but before his pension starts to be paid the death benefits payable under this Rule in respect of his death will be calculated under Rule 1 of Part IV."

2.5 Rule 2.2(a) of Appendix 3 of Schedule 1 of Part F of the Rules is amended by adding the following after 'Category 1 Rules' and before ';':

"(subject to the amendments set out in Rules 2.5 to 2.7 of Schedule 1 of Part F of the Rules)"

3 General Conditions

3.1 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.

3.2 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.

3.3 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.

3.4 This Deed may be entered into in the form of two or more counterparts each executed by one or more parties but, taken together, executed by all of them and, provided each party 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

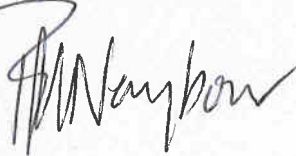
SIGNED as a DEED by

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

Director



Director/Secretary



SCHEDULE

LIST OF SCHEME DEFINITIVE DEED AND RULES AND DEEDS OF AMENDMENT

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 Racal Members: dependants' pensions and enhanced revaluation)
31 March 2010	Deed of Amendment (Pension Deduction)

Appendix 1

Actuarial Confirmation - section 37 of the Pension Schemes Act 1993

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 alterations described in the deed of amendment to which this certificate is attached (TPP GAD Members – options on late retirement).

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 alterations do 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 W&Co Ref: Legal01#21739540v5[IDC1]/[ALB4]
- Second Definitive Deed and Rules relating to the Thales UK Pension Scheme dated 30 June 2008.

Signature



Name

Mark Condron

Qualification

Fellow of the Institute and Faculty of Actuaries

Date of signing

29 March 2012