

**Deed of apportionment and cessation relating to the Cosalt plc
Retirement Benefits Plan**

- (1) Cosalt plc
- (2) Frederick William Wood, Ronald Briggs Heaton, Paul Arthur Bradbury, Alan Smith and Rodger Vincent Whyte Mccracken
- (3) Cosalt International Limited

Dated 22 AUGUST 2011

Osborne Clarke

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GW/10547980

This deed is made on 22 AUGUST 2011

Between:-

- (1) Cosalt plc (Company Number 00019628) of Origin 4, Origin Way, Europarc, Grimsby, South Humberside, United Kingdom DN37 9TZ (the "Principal Employer");
- (2) Frederick William Wood of Pleasant House, Pleasant Place, Louth, Lincolnshire, Ronald Briggs Heaton of 7 Ings lane, Waltham, North East Lincolnshire, Paul Arthur Bradbury of 9 Oyster Court, Cleethorpes, DN53 8QE, Alan Smith of the Poplars, Edenfield Estate, Hornsea, East Yorkshire, and Rodger Vincent Whyte Mccracken of 39a Westgate, Louth LN11 9YQ (the "Trustees");
- (3) Cosalt International Limited (company number 00553893) of Origin 4, Origin Way, Europarc, Grimsby, South Humberside, United Kingdom DN37 9TZ ("CIL").

Whereas:-

- (A) The deed relates to the Cosalt plc Retirement Benefits Plan (the "Plan") established by an Interim Trust Deed dated 17 December 1957.
- (B) The Plan is governed by a Replacement Definitive Trust Deed (the "Definitive Deed") dated 24 March 2000 and the rules (the "Rules") attached to it as amended.
- (C) The Trustees have agreed to act as the Trustees of the Plan.
- (D) The Principal Employer is the principal employer for the time being of the Plan and the Trustees are the present trustees of the Plan.
- (E) CIL is a Participating Employer in the Plan.
- (F) The Definitive Deed and Rules have previously been amended by a deed of amendment dated 24 October 2008 to introduce a power to apportion liabilities under the Scheme.
- (G) Pursuant to Regulation 9(4) of the Occupational Pension Schemes (Employer Debt) Regulations 2005 (the "Employer Debt Regulations"), CIL will provide notice to the Trustees and the Principal Employer that it wishes to cease to participate in the plan with effect on and from the date of the employment-cessation event specified in the notice (the "Exit Date"). As a result of this cessation of participation, section 75A of the Pensions Act 1995 will apply.
- (H) The Principal Employer and the Trustees, in exercise of the power of apportionment under the Plan's Definitive Deed and Rules, wish to effect a scheme apportionment arrangement share for the purposes of Regulation 6(2) of the Employer Debt Regulations pursuant to sections 75 and 75A of the Pensions Act 1995 in respect of CIL.
- (I) By executing this deed, the Trustees are not entering into a legally enforceable agreement which has the effect of reducing the amount of any debt due to the plan under section 75 or 75A of the Pensions Act 1995 which may be recovered by (or on behalf of) the trustees so that the Scheme would cease to be an eligible scheme by reason of Regulation 2(2) of the Pension Protection Fund (Entry Rules) Regulations 2005 (the "entry regulations") and the parties intend this deed will qualify as a Scheme Apportionment Arrangement and agree that in these circumstances Regulation 2(4) of the Entry Regulations will apply.
- (J) Where expressions are not defined in this deed, they shall have the meaning given to them in the Definitive Deed and Rules.
- (K) The Clauses of this deed shall take effect in the order in which they are set out.

Effect of this deed:

1. Apportionment of section 75 debt

In this clause each of the terms, "Liability Share", "Scheme Apportionment Arrangement" and "Scheme Apportionment Arrangement Share" have the meaning given to them in the Employer Debt Regulations.

1.1 Pursuant to Rule 75 of the rules, (as introduced by a deed dated 24 October 2008) the Principal Employer and the Trustees agree that in anticipation of CIL ceasing to participate in the Plan, with effect from the Exit Date:

(a) the amount due from CIL shall be £100 and this shall be CIL's Scheme Apportionment Arrangement Share; and

(b) the balance of the liabilities which would otherwise have been attributable to CIL shall be apportioned to the Principal Employer and will be payable as and when any debt arises from the Principal Employer under section 75 of the Pensions Act 1995.

1.2 For the avoidance of doubt, the apportionment effected by clause 1.1 shall not impose any liabilities on the Principal Employer, other than the re-apportionment referred to in that clause. In particular, no immediate payment shall be due from the Principal Employer as a result of clause 1.1.

1.3 If, in order for this deed to be a Scheme Apportionment Arrangement, the Employer Debt Regulations require a fixed amount to be apportioned to the Principal Employer (as envisaged in paragraph (b) of the definition of "Scheme Apportionment Arrangement" as set out in Regulation 2(1) of the Employer Debt Regulations), the amount of £100 or the balance of the amount of CIL's Liability Share at the Exit Date whichever is the greater is apportioned to the Principal Employer together with the liabilities mentioned in 1.1(b) above.

1.4 The Trustees and the Principal Employer by their execution of this deed have consented to this apportionment.

2. Cessation of participation

2.1 Subject to clause 2.2 below, with effect on and from the Exit Date, CIL shall cease to be an Employer under the Definitive Deed and Rules and will be discharged in respect of all further liability arising under the Plan.

2.2 CIL shall remain responsible for meeting its liability under clause 1.1(a) above.

3. Compliance

3.1 The Trustees by signature of this deed hereby acknowledge CIL's termination of participation in the Plan and confirm that:

(a) the apportionment set out under clause 1.1 is a Scheme Apportionment Arrangement;

(b) the funding test that applies for the purpose of the Employer Debt Regulations, in relation to the apportionment set out under clause 1.1, is met; and

(c) no partial termination of the Plan shall occur as a result of this Scheme Apportionment Arrangement (as would otherwise be the case in accordance with Rule 60.2.4 as amended by a deed dated 24 October 2008).

3.2 The New Principal Employer hereby confirms that with effect from the Exit Date it is liable for any sums due under Rule 60.2 arising as a result of CIL ceasing to participate in the Scheme.

4. **Counterparts**

4.1 This deed may be executed in more than one counterpart, which will together constitute one deed. When each signatory to this deed has executed at least one part of it, it will be as if all the signatories to it had executed all of the counterparts. Each counterpart deed will be treated as an original.

IN WITNESS whereof this deed has been executed on the date hereof.

Executed as a deed)
(but not delivered until dated))
By **Cosalt plc** acting by two directors)
Or one director and the secretary:-)


Director

Director / Company secretary

Signed and delivered as a deed)
(but not delivered until dated) by)
Frederick William Wood)
In the presence of:-)



Signature of witness: J Barber

Name of witness: J Barber

Address: 78 Kingsway
Cleethorpes
DN35 0AB

Occupation: PA

Signed and delivered as a deed)
(but not delivered until dated) by)
Ronald Briggs Heaton)
In presence of:-)

R B Heaton

Signature of witness: *AB*

Name of witness *S H FODEN*

Address *64 High Street Much Wenlock Shrop*

Occupation *Solator (non-advocacy)*

Fodens Solicitors
64 High Street
Much Wenlock
Shropshire
TF13 6AE
Tel 01952 728111
Fax 01952 728111

Signed and delivered as a deed)
(but not delivered until dated) by)
Paul Arthur Bradbury)
In the presence of:-)

Signature of witness:

Name of witness:

Address:

Occupation:

Signed and delivered as a deed
(but not delivered until dated) by
Ronald Briggs Heaton
In presence of:-

)
)
)
)

Signature of witness:

Name of witness

Address

Occupation

Signed and delivered as a deed
(but not delivered until dated) by
Paul Arthur Bradbury
In the presence of:-

)
)
)
)
Paul Arthur Bradbury

Signature of witness.

Anthony Rowie

Name of witness:

ANTHONY ROWIE

Address:

WHITE COTTAGE, 19 SOUTH ST, KEE WY, DUNM SIRE

Occupation.

SUPPLY PLANNER .

Signed and delivered as a deed)
(but not delivered until dated) by)
Alan Smith)
In the presence of:-)

A. Smith

Signature of witness:

Name of witness:

Alan

Address:

638 Green Road Ave
RPS DN55 7TV

Occupation:

Fluorobag CW

Signed and delivered as a deed)
(but not delivered until dated) by)
Rodger Vincent Whyte Mccracken)
In the presence of:-)

Signature of witness:

J Barber

Name of witness:

Jane Barber

Address:

78 Kingsway
Cleethorpes
DN35 0AB

Occupation:

PA

Executed as a deed)
(but not delivered until dated by)
Cosalt International Limited)
Acting by two directors or one)
Director and the secretary:-)

Director

Director/ Company secretary

