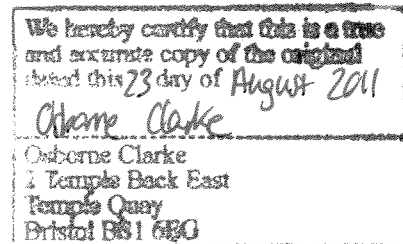


Deed of Apportionment and Substitution of Principal Employer

- (1) COSALT INTERNATIONAL LIMITED
- (2) N R CARRICK and D B ROBINSON
- (3) COSALT PLC

Dated *8th June* 2011



Osborne Clarke

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GVV/0960458/O11640696/MJZ

This Deed of Apportionment and Substitution of Principal Employer is made the day of 24 June 2011

Between:

- (1) **COSALT INTERNATIONAL LIMITED** whose registered office is at 4 Origin Way, Europarc, Grimsby, South Humberside DN37 9TZ (company number 553893) (the "**Old Principal Employer**").
- (2) **NEIL R CARRICK** and **DENISE B ROBINSON** c/o Cosalt Plc, 4 Origin Way, Europarc, Grimsby, South Humberside DN37 9TZ (the "**Trustees**").
- (3) **COSALT PLC** whose registered office is at 4 Origin Way, Europarc, Grimsby, South Humberside, United Kingdom DN37 9TZ (company number 00019628) (the "**New Principal Employer**").

WHEREAS:

- (A) This Deed is supplemental to a Trust Deed dated 8 May 1992 and made between the then Principal Employer and the trustees named in it (the "**Trust Deed**") setting out the rules (the "**Rules**") of the Sea-Dog Life Saving Appliances (Scotland) Limited Retirement Benefits Scheme (1992) (the "**Scheme**").
- (B) The parties wish to amend the provisions of the Trust Deed and Rules as set out below and as evidenced by their execution of this Deed.
- (C) It has been agreed that prior to the Completion Date, as defined in the sale and purchase agreement between the New Principal Employer and Survitec Group Limited, the New Principal Employer will procure that at least one employee of the New Principal Employer will become an active member of the Scheme. It has been agreed that the New Principal Employer shall be admitted to participation in the Scheme immediately prior to the date on which the first employee of the New Principal Employer becomes an active member of the Scheme (the "**Participation Date**").
- (D) It has been agreed that with effect from the Completion Date, the New Principal Employer shall be substituted for the Old Principal Employer as the principal employer for all the purposes of the Scheme.
- (E) Once the New Principal Employer has become an employer of at least one active member of the Scheme and has been substituted for the Old Principal Employer as the principal employer of the Scheme, the Old Principal Employer will give notice to the trustees that it wishes to cease to participate in the Scheme with effect on and from the date specified in the notice (the "**Exit Date**"). The parties acknowledge that this will be an Employment Cessation Event, as defined in the Occupational Pension Schemes (Employer Debt) Regulations 2005 (the "**Employer Debt Regulations**") and as a result of this cessation of participation, section 75A of the Pension Act 1995 will apply.
- (F) The New Principal Employer and the Trustees, in exercise of the power of apportionment inserted into the Scheme by the amendment made in this Deed, 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 the Old Principal Employer.
- (G) 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 Scheme 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.

- (H) The Clauses of this Deed shall take effect in the order in which they are set out.
- (I) The Effective Date shall be the date shown on the face of this Deed.
- (J) The Trustees are the present trustees of the Scheme.

NOW THIS DEED WITNESSES as follows:

1. In accordance with Rule 11.1 of the Trust Deed the Trustees may from time to time, with the consent of the Old Principal Employer (which is evidenced by its execution of this Deed), alter or modify all or any of the provisions of the Scheme with immediate future or retrospective effect as the Trustees and the Principal Employer determine, but subject to the restrictions in the rest of Rule 11. In exercise of that power, the Trustees and the Old Principal Employer hereby amend the Rules as follows with effect from the Effective Date.

Power to apportion Section 75 debt

The following shall be inserted as a new Rule 14:

"14 Apportionment of Debt

14.1 In this Rule:

"**Employer**" has the meaning given in Rule 1.2 but also includes any person who is a "former employer" within the meaning of the Employer Debt Regulations.

"**Employer Debt Regulations**" means the Occupational Pension Schemes (Employer Debt) Regulations 2005 as amended from time to time.

"**Exit Date**" means the date of an employment-cessation event specified in the notice served by an Employer.

Each of the terms "**Employment Cessation Event**", "**Liability Share**", "**Scheme Apportionment Arrangement**" and "**Scheme Apportionment Arrangement Share**" have the meaning given in the Employer Debt Regulations.

"**Relevant Event**" has the meaning given in Section 75 of the Pensions Act 1995.

"**Section 75 Debt**" means debt arising under Section 75 of the Pension Act 1995.

14.2 This Rule applies at any time when all of Rule 14.2.1 to 14.2.3 below apply:

14.2.1 the scheme is a "multi-employer scheme" for the purposes of the Employer Debt Regulations;

14.2.2 there is an Employment Cessation Event;

14.2.3 the Principal Employer and the Trustees agree that this Rule should apply.

14.3 If this Rule applies, the amount of Section 75 Debt due from any Employer to whom the Employment Cessation Event or Relevant Event applies will be such amount as the Trustees and the Principal Employer agree provided that

- (a) it is not less than £100; and
- (b) it is not more than the Employer's Liability Share unless the Employer in question agrees.

14.4 If as a result of the application of this Rule, the amount due from an Employer is less than the Employer's Liability Share, the Trustees and the Principal Employer must also agree that the balance of the Liability Share is apportioned to one or more other Employers (and, if more than one, in such proportions as the Trustee and the Principal Employer agree).

14.5 The Trustees and the Principal Employer from time to time may agree that this Rule shall be applied so as to require different amounts (including amounts determined by reference to different considerations) from different Employers (including that this Rule shall apply in respect of one or more Employer but no others)."

2. With effect from the Effective Date, Rule 6.3(c) shall be deleted and replaced as follows:

"Where an Employer has withdrawn or has been deemed to have withdrawn from the Scheme, the Trustees may decide whether the provisions of Rule 12.4 will apply."

3. The New Principal Employer shall procure that, prior to the Completion Date, at least one employee of the New Principal Employer shall become an active member of the Scheme and documentation shall be provided to the Old Principal Employer to evidence this. In accordance with the provisions of Rule 6.1 of the Trust Deed the Old Principal Employer with the consent of the Trustees agrees to the admission of the New Principal Employer to participation in the Scheme with effect from the Participation Date.

4. In accordance with the provisions of Rule 6.2 of the Trust Deed the Old Principal Employer with the consent of the Trustees agrees to the substitution of the New Principal Employer for the Old Principal Employer as the principal employer for all the purposes of the Scheme with effect from the Completion Date.

5. With effect from the Completion Date the New Principal Employer hereby consents to replace the Old Principal Employer as the Scheme's principal employer and until it ceases to participate in the Scheme the New Principal Employer hereby covenants with the Trustees that it will observe and perform all the provisions and rules which should be observed and performed by it as the principal employer in relation to the Scheme.

6. From the Completion Date the Scheme shall be modified and operate as though the expression 'Principal Employer' meant the New Principal Employer and not the Old Principal Employer.

7. **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 in the Employer Debt Regulations.

7.1 Pursuant to Rule 14 of the Rules, as inserted by this Deed, the New Principal Employer and the Trustees agree that once the New Principal Employer has become an employer of at least one active member of the Scheme and in anticipation of the Old Principal Employer ceasing to participate in the Scheme, with effect from the Exit Date:-

- (a) the amount due from the Old Principal Employer shall be £200 and this shall be the Old Principal Employer's Scheme Apportionment Arrangement Share; and
- (b) the balance of the liabilities which would otherwise have been attributable to the Old Principal Employer shall be apportioned to the New Principal Employer and

will be payable as and when the debt arises from the New Principal Employer under section 75 of the Pensions Act 1995.

- 7.2 For the avoidance of doubt, the apportionment effected by Clause 7.1 shall not impose any liabilities on the New Principal Employer, other than the re-apportionment referred to in that Clause. In particular, no immediate payment shall be due from the New Principal Employer as a result of Clause 7.1 above.
- 7.3 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 New 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 £200 or the balance of the amount of the Old Principal Employer's Liability Share at the Exit Date whichever is the greater is apportioned to the New Principal Employer together with the liabilities mentioned in Clause 7.1(b) above.
- 7.4 The Old Principal Employer shall remain responsible for meeting its liability under Clause 7.1(a) above.
- 7.5 The Trustees and both the Old and New Principal Employers by their execution of this Deed have consented to this apportionment.
- 7.6 The Old Principal Employer shall provide notice to the Trustees that it wishes to cease to participate in the Scheme with effect on and from the Exit Date. As a result of this cessation of participation, section 75A of the Pensions Act 1995 will apply.


Cessation of Participation

8. Once the New Principal Employer has become an employer of at least one active member of the Scheme, with effect on and from the Exit Date, the Old Principal Employer shall provide notice to the Trustees that it wishes to cease to participate in the Scheme and with effect on and from that date shall cease to be an Employer under the Trust Deed and Rules and will be discharged in respect of all further liability arising under the Scheme.

Compliance

9. The Trustees by signature of this Deed hereby acknowledge the Old Principal Employer's termination of participation in the Scheme and confirm that:
 - (a) the apportionment set out under Clause 7.1 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 7.1, is met; and
 - (c) no partial termination of the Scheme shall occur as a result of this Scheme Apportionment Arrangement under Rule 6.3(c) as amended by this Deed.
10. This Deed may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. The parties may enter into this Deed by executing any such counterpart.

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/Secretary



SIGNED and **DELIVERED** as a Deed)
(but not delivered until dated) by)
NEIL CARRICK)
in the presence of:-)



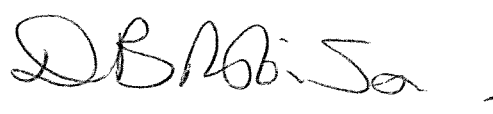
Signature of witness: 

Name of witness: **DEBRA MCGREGOR**

Address: **17 BRAMHALL STREET, CLETHORPES NE Lincs**

Occupation: **COMPANY SECRETARIAL ASSISTANT**

SIGNED and **DELIVERED** as a Deed)
(but not delivered until dated) by)
DENISE ROBINSON)
in the presence of:-)



Signature of witness: 

Name of witness: **DEBRA MCGREGOR**

Address: **17, BRAMHALL STREET, CLETHORPES, N.E Lincs.**

Occupation: **COMPANY SECRETARIAL ASSISTANT**

EXECUTED as a Deed (but not delivered until dated))
by **COSALT PLC**)
acting by two Directors)
or one Director and the Secretary:-)

Director



Director/Secretary

