HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

Rules effective from 30 October 2019

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Hewlett-Packard Limited Retirement Benefits Plan

These Rules of the **Hewlett-Packard Limited Retirement Benefits Plan** were made as a deed on 30 October 2019 **between**:

(1) Hewlett-Packard Limited; and

(2) Hewlett Packard Enterprise UK Pension Trustee Limited.

Hewlett-Packard Limited is the Principal Employer in relation to the Plan.

Hewlett Packard Enterprise UK Pension Trustee Limited is the trustee for the time being of the Plan.

Introduction

General

The Plan commenced on 1 February 1978.

The Plan is currently governed by Rules made on 1 September 2008, as amended. General Rule 16 of the current Rules (Alterations to the Plan) says that the Principal Employer may, with the written consent of the Trustees either by deed or by a resolution of the Board of Directors of the Principal Employer, alter or add to or replace the Rules (and may do so retrospectively). Such changes are subject to the requirements of Section 67 of the Pensions Act 1995.

In exercise of their powers under General Rule 16 of the current Rules, the Principal Employer, with the written consent of the Trustees, alter the current Rules by replacing them with these Rules with effect from the date of this deed. The written consent of the Trustees is evidenced by executing this deed.

The benefits for Members who left Service before the date of this deed (and the benefits payable on their death) are not affected by these Rules, except as described in Rule 13.1 of the relevant Section Rules (Members who left Service before the date of these Rules).

These Rules shall have effect only insofar as they do not adversely affect any subsisting right of any Member or any other person at the date of this deed or are otherwise allowed by the "subsisting rights provisions" referred to in Section 67 of the Pensions Act 1995 (the subsisting rights provisions). For this purpose, "**subsisting right**" means the same as in Section 67A of the Pensions Act 1995 (the subsisting rights provisions).

Segregation

The Plan is divided into two segregated sections: the Hewlett-Packard Section and the Digital Section. Each Section is treated as a separate "scheme" for the purposes of Part 2 of the Pensions Act 2004 (pension protection fund), Part 3 of the Pensions Act 2004 (scheme funding) and Sections 73 to 74 (preferential liabilities on winding-up) and 75 and 75A (deficiencies in the assets) of the Pensions Act 1995. For so long as the Plan is segregated, the Principal Employer and the Trustees shall manage the Plan and each Section to ensure each Section continues to be treated as a separate scheme for these purposes. In particular, this means that:

(a) contributions payable to the Plan by an Employer, or by a Member employed by that Employer, are allocated to that Employer's Section, or if the Employer participates in both Sections, to the Section which the Trustees consider is appropriate for the employment in question; and

(b) a specified part or proportion of the assets of the Plan is attributable to each Section and cannot be used for the purposes of the other Section.

The Trustees shall take any steps they consider necessary for the operation of each Section as a separate scheme. In particular, they will:

(i) keep separate records and accounts for each Section;

(ii) obtain for each Section separate actuarial valuations and reports and prepare and maintain for each Section separate schedules of contributions, statements of funding and investment principles and recovery plans (if required);

(iii) ensure that all benefits payable under the Plan are paid from the assets of the appropriate Section; and

(iv) pay the expenses of each Section only from the assets of that Section (and for this purpose the Trustees can allocate expenses to each Section on a basis they consider reasonable and take account of any agreement with the Principal Employer but subject always to the requirement not to use assets of one Section for the purposes of the other Section).

The Principal Employer and the Trustees may agree to de-segregate the Plan in the future.

Note: The Plan was previously divided into three segregated sections. However, the third section, the BoI/Medas Section, was merged into the Hewlett-Packard Section on the terms set out in a transfer deed dated 6 July 2016. The BoI/Medas Section no longer exists and the members who were in that section are provided for in these rules as follows:

(A) benefit and contribution provisions relating to members who transferred to the BoI/Medas Section (formerly known as the Bank of Ireland Section) from the Medas Pension Scheme are described in Rule 13.6 (provisions applicable to Medas Members) of the Hewlett-Packard Section Rules; and

(B) benefit and contribution provisions relating to all other members who were formerly members of that section are described in Rule 13.5 and the Schedule to the Hewlett-Packard Section Rules (provisions applicable to Bank of Ireland Members).

Rules

These Rules consist of General Rules, which are applicable to both the Hewlett-Packard Section and the Digital Section and Section Rules which are only applicable to the relevant Section. For the avoidance of doubt, Section Rules include the Rules set out in the Schedule to the Hewlett-Packard Section, which relate to Bank of Ireland Members, and references to "Rules" and "Section Rules" shall be construed accordingly.

Note: For the avoidance of doubt, references in these Rules to:

- a "HP Member" means a member of the Hewlett-Packard Section (but who is not a Bank of Ireland Member, a Medas Member or an EDS Member) whose benefits and contributions are as described in the Hewlett-Packard Section;
- a "Bank of Ireland Member" means a member of the Hewlett-Packard Section whose benefits and contributions are as described in Rule 13.5 and in the Schedule to the Hewlett-Packard Section;

- a "Medas Member" means a member of the Hewlett-Packard Section whose benefits and contributions are as described in Rule 13.6 (provisions applicable to Medas Members) of the Hewlett-Packard Section;
- an "EDS Member" means a member of the Hewlett-Packard Section whose benefits and contributions are as described in Rule 13.4 (provisions applicable to EDS Members) of the Hewlett-Packard Section; and
- a "Digital Member" means a member of the Digital Section whose benefits and contributions are as described in the Digital Section.

General Rules

1 Meaning of words used

"**Contracting-out Laws**" means the laws in Part 3 of the Pension Schemes Act 1993 that apply to schemes that were contracted out before 6 April 2016.

"**Dependant**" means anyone who is financially dependent on the Member or other person concerned, or was so dependent at the time of that person's death. This may include 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. The Trustees' decision as to whether someone is another person's Dependant will be final.

"**Employer**" means an employer participating in the Plan.

Note: References to "**Employer**" or "**Employers**" should be construed to mean the Employers participating in the relevant Section.

"**Enhanced Protection Member**" means a Member who has given notice to Her Majesty's Revenue & Customs, the Principal Employer and the Trustees of his or her intention to rely on paragraph 12 of Schedule 36 of the Finance Act 2004 ("enhanced protection").

"**GMP**" means a guaranteed minimum pension (or accrued right to one) under the Contracting-out Laws.

"**Member**" means a person who has joined the Plan.

Note: References to "**Member**" or "**Members**" should be construed to mean Members of the relevant Section (or categories of member within a particular Section, as appropriate).

"**Money Purchase Assets**" means any assets which are earmarked for a particular Member to provide additional benefits for that Member on a money purchase basis. These assets include, but are not limited to, additional voluntary contributions made by the Member on a money purchase basis, a transfer payment received by the Trustees from an occupational or personal pension scheme in respect of the Member which has been applied on a money purchase basis, and any additional contributions made by the Member's Employer in accordance with General Rule 7 (discretionary benefits) to provide additional benefits on a money purchase basis.

Note: No Member or other person entitled to benefits is entitled to any specific assets of the Plan. The earmarking of Money Purchase Assets for a particular Member is notional and therefore is only for the purpose of calculating his or her benefits under the Plan.

"**Pensionable Children**" has the meaning as set out in Section Rule 7.2 (children's pension) of the relevant Section of the Plan.

"**Plan**" means the Hewlett-Packard Limited Retirement Benefits Plan.

"**Pre-1997 Pension**" means the part of a Member's pension (excluding where applicable any GMP component) attributable to his Pensionable Service before 6 April 1997.

"**Preservation Laws**" means the laws on preservation of benefit in Chapter 1 of Part 4 of the Pension Schemes Act 1993.

"**Principal Employer**" means Hewlett-Packard Limited.

"**Prospective Pre-1997 Increases**" means the total of:

(a) any increases on a Member's Pre-1997 Pension which would be payable to the Member each year in the period between the date on which the Member chooses to exchange benefits under the Plan as described in Rule 7.6 (pension increase exchange option) and the date of death of the Member; and

(b) any increases on a Member's Pre-1997 Pension which would be payable to the Member's Spouse or Dependant each year in the period between the date on which their pension starts and the date of death of the Member's Spouse or Dependant.

"**Revaluation Laws**" means the laws on revaluation of accrued benefits in Chapter 2 of Part 4 of the Pension Schemes Act 1993.

"**Section**" means one of the two segregated sections of the Plan, as appropriate, namely:

(a) the Hewlett-Packard Section; and

(b) the Digital Section.

"**Service**" means employment with the Employers participating in the relevant Section of the Plan

Note: In specified circumstances the Rules provide for a Member to be treated as though he or she had left Service even though he or she remains in the employment of his or her Employer.

"**Spouse**" means a person who, at the date of the Member's death, was legally married to the Member or was the Member's legal civil partner.

"**Transfer Value Laws**" means the laws on transfer values in Chapter 4 of Part 4 of the Pension Schemes Act 1993.

"**Trustees**" means the trustees for the time being of the Plan.

2 Trustees

2.1 Appointment and removal

The Principal Employer may appoint new or additional trustees or a body corporate as sole trustee. The Principal Employer may also remove Trustees.

These powers will be exercised by deed. They may be exercised without giving any reason but so there will never be less than 3 Trustees unless a body corporate is appointed as sole Trustee. If the number of Trustees falls to below 3 and the Principal Employer fails to appoint more Trustees where so required, the Principal Employer shall be the sole or additional trustee (as appropriate).

These powers must not be exercised in any way that conflicts with any arrangement made under Sections 241 to 243 of the Pensions Act 2004 (requirement for member-nominated trustees and directors).

Any Trustee may resign his or her trusteeship by giving one month's written notice to the Principal Employer and the other Trustees.

Note: Where there is a corporate trustee, the appointment and removal of the directors of the corporate trustee will be governed by the Articles of Association of the corporate trustee.

2.2 Decision making

2.2.1 General

The Trustees may act by majority vote of those present at a meeting. Three Trustees will constitute a quorum and a chairman shall not have a casting vote. However, if there are less than 3 Trustees, a quorum will be all the Trustees then appointed.

All decisions made by the Trustees at a meeting shall be minuted and signed.

Any decision by an Employer or a delegate of an Employer appointed by the Employer in respect of the Plan shall either be in writing by an authorised representative or recorded in some other way to the satisfaction of the Trustees.

2.2.2 Written resolutions

A written resolution signed or otherwise agreed in writing by a majority of all the currently appointed Trustees shall be as effective as a decision made by those Trustees at a meeting. A resolution is adopted when the majority of Trustees who are entitled to vote on such resolution have:

(i) signed one or more copies of it; or

(ii) otherwise indicated their agreement to it in writing, including by email or in any other electronic form.

2.2.3 Notice of meetings

At least 10 business days' notice must be given for any meeting unless:

(i) the Trustees agree otherwise; or

(ii) it is an occasion on which it is necessary, as a matter of urgency, to make a decision,

in which case no minimum notice period is required.

The notice must be given in writing, including by email or in any other electronic form, and shall specify the date, time and place of the meeting.

2.2.4 Delegation

The Trustees may delegate any of their powers, duties or discretions to any person on any terms (including terms that allow the delegate to sub-delegate).

Note: Delegation of investment decisions are subject to Section 34(2) of the Pensions Act 1995

2.3 Trustee charges

A Trustee may charge for services provided on a basis agreed with the Principal Employer, as also may a company or firm in which a trustee is interested. Such charges shall be met from Plan assets unless the Trustees direct it to be paid by the Principal Employer

If the charges are met from Plan assets, the Trustees will decide the proportion of charges attributable to each Section and will allocate the charges accordingly, but subject always to the requirement not to use the assets of one Section for the purposes of the other Section.

2.4 Indemnity

The Employers will jointly and severally indemnify each Trustee and former trustee (and their officers, agents or delegates) for the amount of any costs, liabilities and commitments which they incur through acting as such Trustee, officer, agent or delegate other than as a result of the personal conscious wrongdoing or fraud of the person concerned and for which he or she is not indemnified by insurance as described in General Rule 2.6 (Trustee insurance).

2.5 Limit of liability

Neither a Trustee nor the Trustees' officers, agents or delegates will be liable for any negligence, default, breach of duty or breach of trust except for the personal conscious wrongdoing or fraud of the person concerned.

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.

2.6 Trustee insurance

The Trustees may insure the Plan against any loss caused by the Trustees or any of their officers, agents or delegates. They may also insure themselves and any of these persons against liability for negligence, default, breach of duty or breach of trust not involving their own personal conscious wrongdoing or fraud or that of the person concerned.

The premiums may be paid from the assets of the Plan unless the insurance covers fines or penalties of a kind mentioned in Section 256 of the Pensions Act 2004 (no indemnification for fines or civil penalties).

If premiums are paid from Plan assets, the Trustees will decide the proportion of premiums attributable to each Section and will allocate the premiums accordingly, but subject always to the requirement not to use the assets of one Section for the purposes of the other Section. To the extent that any liability is met by insurance, the Trustees or the person concerned will waive the protection of General Rule 2.5 (limit of liability) and the Employers will not be liable to reimburse them under General Rule 2.4 (indemnity).

2.7 Corporate Trustee

Where there is a corporate trustee:

2.7.1 General Rule 2.3 (Trustee charges) and General Rule 3.5 (Plan expenses and trustee liabilities) apply for the benefit of officers and employees of a corporate trustee in the same way as for an individual trustee;

2.7.2 the officers and employees of a corporate trustee will not be liable for any negligence, default, breach of duty or breach of trust except:

(i) personal conscious wrongdoing or fraud of the person concerned; and

(ii) any liability in relation to the corporate trustee itself that, under company law, cannot be excluded;

2.7.3 the Employers will jointly and severally indemnify the officers and employees of the corporate trustee, under General Rule 2.4 (indemnity), as if they were individual trustees (and, for the avoidance of doubt, this includes former officers and employees of the corporate trustee);

2.7.4 the Employers will also jointly and severally indemnify those officers and employees against any expenses and liabilities incurred in relation to the corporate trustee itself and in connection with its activities as a trustee of the Plan, except:

(i) expenses or liabilities incurred as a result of personal conscious wrongdoing or fraud of the person concerned or covered by insurance under General Rule 2.6 (Trustee insurance);

(ii) expenses or liabilities that would not reasonably be regarded as having any connection with the corporate trustee's role as a trustee of the Plan;

(iii) liabilities of the kind mentioned in Section 235(3) of the Companies Act 2006, to which a qualifying pension scheme indemnity must not apply; and

(iv) the Trustees may insure the officers and employees of the corporate trustee, under General Rule 2.6 (Trustee insurance), as if they were individual trustees.

2.7.5 The Trustees may insure the officers and employees of the corporate trustee, under General Rule 2.6 (Trustee insurance), as if they were individual trustees.

3 Assets of the Plan

3.1 Assets held on trust

The Trustees will hold all the contributions and other assets which they receive and the property representing them and all the income on trust for the purpose of the Section of the Plan to which they relate.

3.2 Use of assets

For the purposes of the Plan, the Trustees may, in any part of the world, alone or together with others:

3.2.1 acquire and dispose of any property (tangible or intangible, movable or immovable), whether or not it produces income;

3.2.2 enter into any contract or incur any obligation;

3.2.3 lend or borrow money or other property for any purpose (including acquiring assets);

3.2.4 grant any mortgage or charge over or give any right of recourse against any or all of the assets of the Plan;

3.2.5 form and finance any company;

3.2.6 carry on and finance any business;

3.2.7 insure assets of the Plan for any amount against any risk;

3.2.8 keep assets in nominee names;

3.2.9 exercise their 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 Trustees will exercise these powers in accordance with Section 36 and 40 of the Pensions Act 1995 (choosing investments and restrictions on employer-related investments).

3.3 Unitisation

The Trustees may treat the assets of the Plan (or such part of the Plan's assets as the Trustees determine) as one or more unitised funds. If they choose to do so, the proportion of the relevant assets attributable to each Section will be calculated on a unitised basis which shall be determined by the Trustees on the advice of the actuary. If they choose not to do so, the assets attributable to each Section will be invested separately. The assets attributable to one Section are not available for use by the other Section.

3.4 Surplus assets

It may be that an actuarial valuation of the Hewlett-Packard Section of the Plan shows that the value of the Section's assets exceeds the value of its liabilities. If this happens, the Trustees may pay all or part of the surplus (less tax) to the Employers participating in the Section, in such proportions as the Trustees, after consulting with the Employers, consider appropriate. However, the Trustees may do this only if and to the extent that they are allowed to do so by Section 37 of the Pensions Act 1995 (payment of surplus to employer).

Note: No payment of surplus to an Employer can be made in respect of the Digital Section.

3.5 Plan expenses and trustee liabilities

The Trustees will pay the expenses of the Plan from the Plan assets unless the Principal Employer decides that they will be met by the Employers. This includes all expenses and liabilities incurred by a trustee or former trustee through acting as a trustee of the Plan. It also includes any costs incurred in connection with actual or anticipated legal proceedings, including (if the Trustees think fit) costs incurred by any other person involved in those proceedings (e.g. representatives of any class of member).

However, no amount may be paid from Plan assets to reimburse a trustee or former trustee for fines or penalties of the kind mentioned in Section 256 of the Pensions Act 2004 (no indemnification for fines or civil penalties).

If the expenses of the Plan are met from the assets of the Plan, the Trustees will decide the proportion of expenses attributable to each Section and will allocate the expenses accordingly,) but subject always to the requirement not to use the assets of one Section for the purposes of the other Section. Where the Principal Employer decides that any expenses shall be met by the Employers, it shall also decide the proportion which each Employer is required to pay.

4 Accounts and actuarial valuations

The Trustees will prepare annual accounts of the Plan and have them audited in compliance with applicable laws.

The Trustees will obtain actuarial valuations for each Section of the Plan at intervals of not more than 3 years and (if so required by the Pensions Act 2004) an actuarial report for each year in which they do not obtain a valuation.

The valuations and reports must comply with any requirements of Section 224 of the Pensions Act 2004 (actuarial valuations and reports).

5 General rules about benefits.

5.1 Recovery of tax and commutation of excess benefit

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

The Trustees may reduce any benefit in respect of which a lifetime allowance charge arises, so as fully to reflect the amount of tax payable in respect of it under Section 215 of the Finance Act 2004 (amount of charge). The Trustees will decide the amount of the reduction after considering actuarial advice and their decision will be final.

A Member in respect of whose benefits a lifetime allowance charge arises may, with the consent of the Principal Employer and the Trustees, commute the pension in excess of the lifetime allowance to a lump sum (less tax at such a rate as applies from time to time). The Trustees will convert the pension to a lump sum on a basis certified as reasonable by an actuary. However, this will be allowed only if payment of a "lifetime allowance excess lump sum" is permitted under Part 4 of the Finance Act 2004 and the Contracting-out Laws.

5.2 Annual allowance charges

If a Member incurs an annual allowance charge (as defined in section 227 of the Finance Act 2004) and either the Trustees become jointly liable to pay that charge following receipt of a notice under Section 237B(3) of the Finance Act 2004 or the Trustees agree (in their absolute discretion) at the request of the Member to pay the charge, the Trustees shall:

5.2.1 pay the annual allowance charge by the due date advised by HM Revenue & Customs; and

5.2.2 make a corresponding adjustment to the Member's benefits in the Plan.

In adjusting a Member's benefits under this Rule 5.2, the Trustees may take such steps as they consider appropriate after consulting the Principal Employer and the Member, provided that the adjustment is just and reasonable having regard to normal actuarial practice as determined by an actuary.

5.3 Loss of right to benefits

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 to ensure that benefits are generally 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. Where exceptions allow:

5.3.1 an Employer may require the Trustees to reduce or stop a person's benefits (except for any GMP) if the person owes money to the Employer and the debt arises out of a criminal, negligent or fraudulent act or omission (if this happens, the Trustees will pay the Employer an amount equal to the debt or, if less, the value of the forfeit benefits);

5.3.2 the Trustees may reduce or stop a person's benefits in order to obtain payment of any debt owed by the person to the Plan;

5.3.3 the Trustees may stop 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);

5.3.4 the Trustees may determine that a benefit will cease to be payable if the person entitled to it does not claim it within 6 years (8 years for GMPs) of the date when it becomes due;

5.3.5 a benefit (except for any GMP and any amount that has already fallen due for payment) will cease to be payable if the person entitled to it under these Rules tries to assign or charge it or if any other event occurs by which all or part of the benefit would, if it belonged to that person absolutely, become payable to someone else. If this happens, the Trustees may (but need not) pay an equivalent or smaller discretionary benefit to one or more of:

(i) the person who was entitled to the original benefit;

(ii) that person's Spouse or Dependants. If the Trustees decide to pay a discretionary benefit to more than one person, they would pay it in such shares as they decide; and

5.3.6 the Trustees may also reduce or stop a person's benefits in any other event as allowed by law.

5.4 Beneficiary who is incapable

If the Trustees consider that a beneficiary cannot look after his or her own affairs (by reason 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 or persons to do so. The receipt of the person whom they pay will be a discharge. The Trustees may also make for the person concerned any choice which that person has under the Plan.

5.5 Tax status of the Plan

The Plan is a "registered pension scheme" for the purposes of Part 4 of the Finance Act 2004. If (without this Rule) the Trustees 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 Trustees and the Employer agree otherwise (which they need not do).

Before 6 April 2006, the Plan was approved under Chapter 1 of Part 14 of the Income and Corporation Taxes Act 1988 (retirement benefit schemes). As a condition of this approval, the Plan was subject to various requirements, including limits on the benefits and contributions that could be paid. The details of these limits are contained in previous legislation, and in IR12(2001) "Practice Notes on the Approval of Occupational Pension Schemes". It has been agreed between the Trustees and Principal Employer that these limits to benefits and contributions under the Rules will no longer apply, except:

5.5.1 in respect of Members who left Service before 6 April 2006;

5.5.2 that in respect of HP Members and Bank of Ireland Members, the Earnings Cap as defined in the Hewlett-Packard Section will continue to apply unless the Principal Employer and Trustees agree otherwise. However, the Earnings Cap will not apply to the lump sum death benefit paid to such Members under:

(i) Rule 6.2 (Member dies in Service) of the Hewlett-Packard Section (including the Schedule to that Section) of the Plan, relating to HP Members and Bank of Ireland Members; and

(ii) Rule 6.3 (Member dies after early retirement through Incapacity pension starts) of the Hewlett-Packard Section of the Plan relating to HP Members; and

5.5.3 that in respect of EDS Members, the Earnings Cap for 1989 EDS Members (as defined in the Hewlett-Packard Section) will continue to apply unless the Principal Employer and Trustees agree otherwise.

In respect of those Members to which the exceptions are relevant, the limits that previously applied will continue to limit the amount and form of benefits unless the Principal Employer and the Trustees agree otherwise.

With effect from 6 April 2006, the modifications made by the Registered Pension Schemes (Modification of the Rules of Existing Schemes) Regulations 2006 no longer apply to the Plan.

Note: The benefits (including limits on those benefits) for and in respect of EDS Members and Medas Members are as described in Rules 13.4 (provisions applicable to Medas Members) and 13.6 (provisions applicable to EDS Members) of the Hewlett-Packard Section respectively.

5.6 Contracting-out

The Plan was a salary-related contracted-out scheme before 6 April 2016 (the date from which contracting-out for salary related schemes was abolished).

The Trustees will operate the Plan in accordance with the Contracting-out Laws.

These General and Section Rules will be treated as including any provisions needed to comply with the GMP requirements of the Contracting-out Laws.

The provisions needed to comply with the GMP requirements override any other provision of the Plan, to the extent that the other provisions conflict with these requirements.

6 Salary sacrifice

6.1 Non-contributory membership

Members who participate in salary sacrifice for pension contributions accept a reduction in their earnings in return for non-contributory membership of the Plan.

The reduction is equal to the contributions that would otherwise have been payable by the Member under Rule 3.2 (contributions by Members) of the relevant Section. Members who participate in salary sacrifice for pension contribution purposes are not required to pay contributions under Rule 3.2 (contributions by Members) of the relevant Section.

To ensure that a Member's benefits are not affected by participating in salary sacrifice for pension contribution purposes:

6.1.1 for the purposes of calculating any benefits under the Plan, the Member's earnings at any date and for any period while the Member participates in salary sacrifice for pension contribution purposes will include the amount by which those earnings are reduced under salary sacrifice for pension contribution purposes;

6.1.2 when calculating any benefit under the Plan, Members will be treated as having paid contributions equal to those they would have paid if they had not participated in salary sacrifice for pension contribution purposes.

If, on the death of a Member who participated in salary sacrifice for pension contribution purposes, a lump sum death benefit is payable which includes an amount equal to some or all of the contributions paid by the Member, the lump sum death benefit will include an amount equal to the contributions which would have been included if he or she had not participated in salary sacrifice for pension contribution purposes.

6.2 Salary sacrifice for AVC contributions

The Trustees and the Principal Employer may allow contributions which would otherwise be paid by the Member under Rule 3.3 (additional voluntary contributions by Members) of the relevant Section to also be subject to the salary sacrifice arrangement. The Trustees will notify the Member of any restrictions which apply.

Members who participate in salary sacrifice for AVCs accept a reduction in their earnings in return for additional benefits under the Plan as described in Rule 3.3 (additional voluntary contributions by Members) of the relevant Section. The reduction is equal to the contributions that the Trustees and Principal Employer have agreed to be included in the salary sacrifice arrangement for AVCs. No AVCs shall be payable under Rule 3.3(additional voluntary contributions by Members) of the relevant Section by Members to whom this Rule applies to the extent that an equivalent reduction in earnings is made under the salary sacrifice arrangement.

For the avoidance of doubt:

6.2.1 if, on the death of a Member who participated in salary sacrifice for AVC purposes, a lump sum death benefit is payable which includes the value of the Member's money purchase AVCs, an amount equal to the money purchase AVCs which would have been included if he or she had not participated in salary sacrifice for money purchase AVC purposes will be included in determining the benefit;

6.2.2 if, on the death of a Digital Member who participated in salary sacrifice for final salary AVCs (as described in Rule 3.3.2 (Additional Final Salary AVCs) of the Digital Section), a lump sum death benefit is payable which includes an amount equal to the Final Salary AVCs paid by the Member, the lump sum death benefit will include an amount equal to the contributions which would have been included if he or she had not participated in salary sacrifice for Final Salary AVC contributions; and

6.2.3 the provisions of General Rule 6.1.1 apply equally to participation in the salary sacrifice arrangement for money purchase AVCs and Final Salary AVCs.

6.3 Payment of contributions

The relevant Employer will make contributions to the relevant Section of the Plan (in addition to any other Employer contributions payable under the relevant Section) of an amount equal to and within the same period as the Member contributions which would otherwise have been paid under the relevant Section of the Plan but for the Member participating in salary sacrifice for pension contribution purposes (and/or AVC contributions, where relevant).

7 Discretionary benefits

7.1 Serious ill-health lump sums

It may be that the Trustees receive evidence from a registered medical practitioner that a Member is expected to live for less than one year. If this happens before the Member starts to receive benefits from the Plan, the Trustees may allow the Member to give up all of his or her benefits under the Plan in return for a lump sum. However, this will be allowed only if payment of a "serious ill-health lump sum" is permitted under Part 4 of the Finance Act 2004 and the Contracting-out Laws. The Trustees will calculate the lump sum on a basis certified as reasonable by an actuary.

Note: The Finance Act permits payment of a "serious ill-health lump sum" only if any benefits payable on the Member's death are first moved to a new arrangement within the Plan. The Trustees will record the creation of this new arrangement as they think fit.

7.2 Lump sums instead of small pensions

It may be that the value of a person's benefits under the Plan (including any death benefits) is so small that the Contracting-out Laws and Part 4 of the Finance Act 2004 would allow payment of a lump sum instead of those benefits. If so, the Trustees may allow the person concerned to choose a lump sum instead of those benefits. The Trustees will calculate the value of the benefits and the lump sum on a basis certified as reasonable by an actuary.

7.3 Discretionary benefits

If the Principal Employer so directs, and the Employers pay any additional contributions that the Trustees consider appropriate (for which purpose the Trustees will consider advice from an actuary), the Trustees will provide:

7.3.1 increased or additional benefits for, or in respect of, any Member;

7.3.2 benefits for, or in respect of, any Member different, or on different terms (including as to time of payment), from those set out elsewhere in the Rules; or

7.3.3 benefits for, or in respect of, any employee or former employee or any spouse, civil partner or Dependant of a former employee or for any other person for whom an Employer wishes to provide benefits.

Any benefits provided under this General Rule 7.3 will be consistent with the Contracting-out, Preservation, Revaluation, and Transfer Value Laws and authorised for the purposes of Part 4 of the Finance Act 2004.

7.4 Lump sum survivor's pension

With the consent of the Principal Employer and the Trustees, a person entitled to a survivor's pension (except for a Pensionable Child) may, subject to the Contracting-out Laws and Part 4 of the Finance Act 2004, choose to give up any or all of that pension for a lump sum payable to him or her. The Trustees will calculate the lump sum on a basis certified as reasonable by an actuary.

7.5 Members whose earnings have reduced due to ill health

It may be that a Member's earnings by reference to which a Member's contributions are calculated are reduced because of ill health. If so, the Trustees, with the consent of the Principal Employer, may agree to treat those earnings as if they had not been reduced (or as if the extent of the reduction had been less than it actually was) for all or any of the purposes of the Plan.

7.6 Pension increase exchange option

If the Principal Employer and the Trustees agree, a Member may choose to give up their Prospective Pre-1997 Increases in exchange for alternative benefits under the Plan. The Member must give their written consent to any such exchange of benefits in the form required by the Trustees.

The Trustees will, acting on the advice of an actuary, convert the Member's Prospective Pre-1997 Increases to alternative benefits under the Plan on a basis determined by the Principal Employer and agreed with the Trustees.

8 Flexible retirement

8.1 General

With the consent of the Principal Employer, the Trustees may agree to provide flexible benefits:

8.1.1 to a Member who is in Service, provided that:

(i) the Member opts out of the Plan;

(ii) the Member has reached age 55;

(iii) the cash equivalent transfer value of the Member's benefits is at least equal in value to an amount determined by the Trustees from time to time, after taking advice from an actuary; and

(iv) the Member has not previously taken a partial transfer in accordance with General Rule 11.2 (transfers to other pension schemes and arrangements);

8.1.2 to a Member who has left Service, provided that:

(i) the Member has reached age 55;

(ii) the cash equivalent transfer value of the Member's benefits is at least equal in value to an amount determined by the Trustees from time to time, after taking advice from an actuary; and

(iii) the Member has not previously taken a partial transfer in accordance with General Rule 11.2 (transfers to other pension schemes and arrangements).

The basis on which this flexibility is currently provided is set out in General Rule 8.2 (flexible payment of Member's benefits). The basis (including any conditions and/or restrictions on the provision of flexible benefits) may, however, be changed with the written agreement of the Principal Employer and Trustees at any time.

8.2 Flexible payment of Member's benefits

Normally, a Member's Plan benefits are all paid to the Member at the same time. However, with the agreement of the Principal Employer and the Trustees, a Member may choose to receive his or her benefits in more than one tranche, on such dates and in such proportions as the Member chooses, subject to the following:

8.2.1 unless the Principal Employer and the Trustees agree otherwise, the number of tranches must not exceed four;

8.2.2 the conditions in General Rule 8.1 are satisfied;

8.2.3 the benefits will be paid in accordance with the normal retirement rule of the relevant Section (or the early retirement rule of the relevant Section if the Member has already left Service). In particular:

(i) for a Member who has not already left Service (and who is not treated as having left Service), if a tranche of benefit comes into payment before Normal Pension Date, it will be reduced for early payment in accordance with the early retirement rule of the relevant Section.

The Member will subsequently be treated as having left Service with effect from the date that any such benefits become payable and the early retirement rule of the relevant Section will apply in respect of the remaining benefits not yet in payment; and

(ii) for Members who have already actually left Service (or are already treated as having left Service), the early retirement rule of the relevant Section will apply to any tranche of the pension that comes into payment before Normal Pension Date and the pension of each tranche will be reduced in accordance with that early retirement rule;

8.2.4 unless the Trustees agree otherwise, benefits arising from a Member's money purchase AVCs paid under Rule 3.3 (additional voluntary contributions by Members) or General Rule 6.2 (salary sacrifice for AVC contributions) must be taken no later than the date on which the last tranche of the Member's other benefits under the Plan come into payment; and

8.2.5 any benefit (disregarding benefits arising from a Member's money purchase AVCs and other money purchase benefits) remaining after a Member has taken a tranche of pension must be sufficient to cover the whole of the Member's GMP.

Note: A reduction will not apply to any part of a tranche that is a money purchase benefit.

Note: For the avoidance of doubt, no lump sum death in service benefit will be payable to a Member who is treated as having left Service under this Rule 8.2.

If a Member receives a proportion of his or her benefit under this General Rule 8.2, the Trustees will determine how to apply the GMP (if relevant) and may adjust either tranche of pension payable and the date on which it is paid to any extent they consider necessary to satisfy the Contracting-out Laws.

9 Members with enhanced protection

Enhanced Protection Members who, prior to 6 April 2006, gave notice to opt out of the Plan, are treated as having left Service at midnight on 5 April 2006. Their benefits are as described under Rule 8 (early leavers – preserved pension) of the relevant Section, but, if agreed with the Principal Employer and the Trustees at the time of opting out, the provisions of Rule 8 (early leavers – preserved pension) are amended as follows:

(a) the amount of the preserved pension payable to the Enhanced Protection Member is calculated on the basis set out in Rule 4.1 (normal retirement) of the relevant Section but by reference to Pensionable Service completed before 6 April 2006 and Final Pensionable Salary (as well as Final Basic Salary for the purposes of the HP Members in the Hewlett-Packard Section), as if he or she had not opted out of that Section;

(b) if an Enhanced Protection Member dies before his or her Normal Pension Date and before he or she starts to receive his or her pension from the Plan, he or she shall, provided he or she is still in employment with an Employer, be deemed to have died while in Service. The provisions of Rule 6.2 (Member dies in Service) and Rule 7 (pensions for Spouses and children) of the relevant Section shall apply accordingly;

(c) if an Enhanced Protection Member actually leaves Service and immediately starts to draw pension and does so in circumstances where his or her pension would normally be reduced for early payment, the Trustees will calculate the reduction on the basis applied under Rule 4.3 (early retirement) of the relevant Section. Otherwise, the Trustees will calculate the reduction on the basis applied under Rule 9.1 (early pension) of that Section; and

(d) the Enhanced Protection Member's benefits under the Plan will be restricted (if necessary) so that they do not exceed an amount equal to the "appropriate limit" as defined for the purposes of paragraph 13(b) of Schedule 36 of the Finance Act 2004, less the amount of any retained benefits of which details have been notified to the Trustees.

If an Enhanced Protection Member notifies the Trustees and the Principal Employer that he or she no longer wishes to benefit from the enhanced protection provisions in the Finance Act 2004, this General Rule 9 shall apply only to the extent agreed between the Trustees and the Principal Employer and notified to the Enhanced Protection Member.

Note: There are no EDS Members or Medas Members to whom this rule applies.

10 Pension sharing on divorce, etc.

10.1 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) (the "**Act**") 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 Trustees will discharge their liability to the former spouse or civil partner in accordance with the requirements of the Act. The Trustees may recover charges in respect of pension sharing costs, as allowed by the Act.

10.2 Benefits under the Plan

If the Trustees provide pension credit benefits for the former spouse or civil partner under the Section of the Plan applicable to the Member concerned, the benefits will be provided separately from any other benefits to which the former spouse or civil partner may be entitled under the Plan.

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

It may be that the Trustees intend to discharge their 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 Trustees 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. Any part of the intended transfer payment that is not used in this way will be retained by the Trustees as part of the general assets of the Section applicable to the Member concerned.

11 Transfers and buy-outs

11.1 Transfers from other pension schemes and arrangements

The Trustees may accept a transfer of assets or surrender value in respect of any person from another pension scheme or arrangement.

The assets or surrender value will be allocated to the applicable Section and the Trustees will use them to provide such benefits in respect of the person concerned as they decide are appropriate after considering advice from an actuary.

The benefits will comply with the Contracting-out, Preservation, Revaluation and Transfer Value Laws, and must be consistent with the Plan's tax status as a registered pension scheme under Part 4 of the Finance Act 2004.

11.2 Transfers to other pension schemes and arrangements

Instead of providing benefits under the relevant Section of the Plan in respect of any person, the Trustees may make a transfer payment 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, for the person concerned. The Trustees may also make a transfer payment in respect of part only of a person's benefits under the Plan.

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

The Trustees will decide the amount of the transfer payment after considering advice from an actuary. However, the amount will not exceed the value of the benefits that would otherwise have been provided under the Plan in respect of the person concerned, unless the Principal Employer agrees to the transfer of a larger amount.

11.3 Transfers between Sections

Instead of providing benefits under the relevant Section of the Plan in respect of any person, the Trustees may make a transfer payment to another Section of the Plan so that benefits will be provided under that other Section for the person concerned. The Trustees may also make a transfer payment in respect of part only of the person's benefits under the relevant Section.

The Trustees will decide the amount of the transfer payment after considering advice from an actuary. However, the amount will not exceed the value of the benefits to be transferred that would otherwise have been provided under the Plan in respect of the person concerned, unless the Principal Employer agrees to the transfer of a larger amount.

The Trustees will provide such benefits in respect of the person concerned as they decide are appropriate after considering advice from an actuary.

The transfer must comply with the Contracting-out, Preservation, Revaluation and Transfer Value Laws, as appropriate. It must also be a "recognised transfer" under Section 169 of the Finance Act 2004 (recognised transfers).

Unless the Trustees and Principal Employer agree otherwise, no transfers between Sections will be made which would cause the Plan to cease to be sectionalised, as described in the Introduction to these Rules.

11.4 Securing benefits with insurance policies and annuity contracts

If the Trustees have bought an insurance policy or annuity contract to secure all or part of a person's benefits under the Plan, they may transfer the policy or contract into the person's name at any time. If the Trustees do this, the person will cease to be entitled to those benefits under the Plan.

Any transfer under this Rule must comply with the Contracting-out and Preservation Laws.

12 New Principal Employer

The Trustees may allow another Employer or holding company to take over the role of the Principal Employer in relation to the Plan. However, the consent of the previous Principal Employer is required, unless it has been dissolved.

13 Participating Employers

13.1 Inclusion in the Plan

The Principal Employer and the Trustees may allow any employer to participate in one or more Sections of the Plan. The Principal Employer and the Trustees may agree special terms to apply to any Employer participating in the Plan, or to the employees of any Employer participating in the Plan.

An employer wishing to participate in a Section of the Plan must agree by deed to comply with the General Rules and the Rules applicable to the Section they wish to participate in.

13.2 Ceasing to participate

An Employer (other than the Principal Employer) may cease to participate in a Section at any time by written notice to the Trustees. The Section will then cease to apply to the departing Employer's employees except for those who remain in Service with another Employer participating in the Section. The Trustees may determine that the Section will also cease to apply to some or all of the departing Employer's former employees.

The Trustees will take actuarial advice and apportion, in respect of the Members concerned, the assets that they consider appropriate. The Trustees will then wind up the part of the Section applying to the Members concerned by applying the apportioned assets as described in General Rule 14 (termination and wind up of a Section).

If the Trustees refund surplus as described in General Rule 14.8 (surplus assets) they will do so to the Employers concerned. The Trustees may make transfer payments in accordance with General Rule 11.2 (transfers to other pension schemes and arrangements) in respect of all or any of the Members concerned instead of buying annuity policies in respect of them.

If the apportioned assets are insufficient to provide the GMPs in full, the other assets of the applicable Section will also be available to provide these.

The Trustees may, instead of winding up the part of the Section applying to the Members concerned, continue to provide benefits from the Section in respect of them in accordance with the Rules as if each Member had left Service on the date when the Section ceased to apply to them.

13.3 Employer Debt Laws

The Trustees may enter into any arrangement they think fit to modify any amount that might otherwise be treated as a debt due from an employer to the Trustees under Section 75 of the Pensions Act 1995 (deficiencies in the assets) (which, together with any legislation made under it, is referred to in these General Rules as the "**Employer Debt Laws**") or to treat an event that might otherwise have caused such a debt to become due as if that event had not occurred. However, only a flexible apportionment arrangement or a deferred debt arrangement (as defined by the Employer Debt Laws) can reduce the amount of a debt to less than £1.

The Trustees may enter into an arrangement under this Rule before, on or after the time when the debt would otherwise have become due or would have been calculated and certified. However, the arrangement must comply with the Employer Debt Laws and the Trustees must comply with those Employer Debt Laws when entering into the arrangement.

14 Termination and wind up of a Section

14.1 Time of termination

14.1.1 Termination of the Hewlett-Packard Section

The Hewlett-Packard Section will be terminated if:

(i) the Principal Employer gives 13 weeks' written notice to the Trustees (or such shorter period as the Trustees may agree); or

(ii) the Employers participating in that Section are dissolved; or

(iii) the Trustees receive actuarial advice that the contributions being paid by the Employers participating in that Section and reasonably expected from them in the future are so low as to prejudice seriously the long term financial position of the Section.

14.1.2 Termination of the Digital Section

The Digital Section will be terminated if:

(i) the Principal Employer gives written notice to the Trustees; or

(ii) the Trustees, having received actuarial advice and being satisfied that it is in the best interests of Digital Section beneficiaries to wind up the Section, give written notice to the Principal Employer that the Section should be wound up.

14.2 Effect of termination

Any Member of a Section who is in Service when the Section terminates will be treated as having left Service with a preserved pension.

After the Section terminates, subject to Rule 14.4 (time of winding-up), the Trustees will continue to provide benefits in accordance with the relevant Rules. However, no further contributions will become payable, unless required by Part 3 of the Pensions Act 2004 (scheme funding) or in accordance with the funding policy agreed with the Principal Employer or the Employers in respect of that Section.

14.3 Reopening the Section

At any time before the Trustees decide to wind up the Section, the Trustees and the Principal Employer may agree to reopen the Section so that employees can again start qualifying for benefits (but treating each period of Pensionable Service separately, unless the Trustees and the Principal Employer agree otherwise).

14.4 Time of winding-up

The Trustees may decide to wind up the Section at any time after the Section terminates. The Trustees will continue to provide benefits in accordance with the relevant Rules, until the Section is wound up and all the benefits have been secured. Until that time, the power of alteration in General Rule 16 (alterations to the Plan) may be exercised by the Trustees alone, in relation to the Rules of that Section.

14.5 Use of assets

When the winding-up of the Section starts, the Trustees will pay all sums due before the winding-up started (including lump sums payable in respect of Members who died before the winding up started) which have not already been paid.

The Trustees will then set aside sufficient assets to pay the expenses of the Section until the winding up of the Section has been completed.

The Trustees will then apply the rest of the Section's assets as described in General Rules 14.6 to 14.8 below.

14.6 Securing benefits

14.6.1 Securing benefits with insurance policies and annuity contracts

The Trustees will secure all benefits which are not provided under General Rule 14.6.2 (winding-up lump sums) or 14.6.3 (transfers to other pension schemes and arrangements) by buying, in the name of each person entitled to benefits under the relevant Section of the Plan, an annuity contract or insurance policy. If the Trustees bought suitable policies or contracts before the winding-up started, they may transfer them into the names of the people entitled to benefits.

The contracts and policies must comply with the Preservation Laws, the Contracting-out Laws and the Revaluation Laws and be consistent with the Plan's tax status as a registered pension scheme under Part 4 of the Finance Act 2004. They will provide benefits that are as nearly as practicable the same as the benefits which would otherwise have been provided under the Section for and in respect of the people for whom they were bought.

14.6.2 Winding up lump sums

When winding up a Section of the Plan, the Trustees 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 Trustees will pay the lump sum to the person in whose name they would otherwise have bought an insurance policy or annuity contract.

14.6.3 Transfers to other pension schemes and arrangements

When winding up a Section of the Plan, the Trustees may make transfer payments in accordance with General Rule 11.2 (transfers to other pension schemes and arrangements) for all or any of the people entitled to benefits under the Section instead of buying insurance policies or annuity policies in respect of them.

14.7 Surplus assets

If any assets remain after all benefits of the Section have been provided in full, the Trustees may, after consulting with the Principal Employer, use them to increase all or any of the benefits or provide additional benefits to the extent they consider appropriate. Any assets then remaining will be paid to the Employers participating in the relevant Section in such proportions as shall be determined by the actuary.

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.

14.8 Insufficient assets

If the assets are insufficient to provide all benefits in full, the assets of the relevant Section will be used first in accordance with Section 73 of the Pensions Act 1995 (preferential liabilities on winding up). Any assets then remaining will be used to satisfy any remaining liabilities of the Section in the following order of priority:

14.8.1 benefits in respect of pensioners and of Members who reached Normal Pension Date or died before the winding up started;

14.8.2 GMPs not yet payable, state scheme premiums and equivalent pension benefits for periods of non-participating employment under the National Insurance Act 1965;

14.8.3 other benefits in any order of priority, as the Trustees consider appropriate.

However, Section 73 does not apply to assets that represent the value of any rights in respect of money purchase benefits under the Plan. The Trustees will use any assets that represent the value of money purchase benefits (including money purchase additional voluntary contributions) to provide those benefits.

15 Termination of the Plan

The Plan will terminate if:

15.1.1 the Principal Employer gives 13 weeks' written notice to the Trustees; or

15.1.2 the Principal Employer for the time being is dissolved (unless another person becomes Principal Employer under General Rule 12 (new Principal Employer); or

15.1.3 the Trustees receive actuarial advice that the contributions being paid by the Employers and reasonably expected from them in the future are so low as to prejudice seriously the long term financial position of the Plan.

If the Plan is terminated in accordance with this General Rule 15, the Trustees will immediately inform all of the Employers. If the Plan is terminated under this General Rule 15, each Section will be wound up in accordance with General Rule 14 (termination and wind up of a Section).

16 Alterations to the Plan

The Principal Employer may, with the written consent of the Trustees, either by deed or by a resolution of the Board of Directors of the Principal Employer, alter or add to or replace the Rules (and may do so retrospectively).

Note: There are statutory requirements that apply in relation to certain changes to the Plan. Section 37 of the Pension Schemes Act 1993 (alteration of rules of contracted-out schemes); Section 259 of the Pensions Act 2004 (consultation by employers: occupational pension schemes) requires employers to consult before a "listed change" is made that would affect the Plan; and Section 67 of the Pensions Act 1995 (the subsisting rights provisions) applies if a proposed change under this Rule would be a "regulated modification" under Section 67.

17 Governing law

English law governs the Plan and its administration.

HP Section

Hewlett-Packard Section

Application of Hewlett-Packard Section Rules: For the avoidance of doubt, unless specified otherwise, or the context determines otherwise, the benefits and Member contributions described in Rules 1 to 13.3 of this Section apply only to HP Members. Rules 13.4 to 13.6 and the Schedule to this section describes the benefits and Member contributions applicable to EDS Members, Bank of Ireland Members and Medas Members, as appropriate.

1 Meaning of words used

In this Section, the following words have the meanings set out in this Rule 1. Other words have the same meanings as in General Rule 1 (meaning of words used).

"**Bank of Ireland Member**" means a member as described in Rule 13.5 (provisions applicable to Bank of Ireland Members).

"**Basic Salary**" means 1$\frac{1}{24}$ times a Member's annual base salary from his or her Employer excluding shift allowances, overtime and fluctuating emoluments except that:

(a) if the Member is a sales grade employee, it means 1$\frac{1}{24}$ times the Member's annual earnings objective as determined by his or her Employer and notified by the Employer to the Trustees; and

(b) if the Member is receiving benefits under a long term disability scheme operated by his or her Employer, it means his or her notional annual salary amount as determined by the Member's Employer and notified by the Employer to the Trustees.

"**Contribution Salary**" means the Member's Pensionable Salary. Except as set out in Rule 13.3 (Members who joined the Plan before 1 June 1989), Contribution Salary cannot exceed the amount of the Earnings Cap from time to time.

"**Earnings Cap**" means:

(a) for the tax years up to and including the 2005/2006 tax year, that described in Section 590C of the Income and Corporation Taxes Act 1988 (earnings cap); or

(b) for the tax years after 2005/2006:

(i) if HM Revenue & Customs continues to issue orders or other communications as if Section 590C of the Income and Corporation Taxes Act 1988 had not been repealed, then the Earnings Cap at any given date shall be the figure specified in the then current order or communication; or

(ii) if HM Revenue & Customs ceases to issue such orders or communications, the Earnings Cap in any tax year (the "**Tax Year**") will be the Earnings Cap for the previous tax year increased by the percentage increase in the retail prices index over a 12 month period ending on the 30 September immediately preceding the Tax Year, provided that:

- if the figure arrived at is not a multiple of £600, it shall be rounded up to the nearest amount that is such a multiple; and
- if the retail prices index for the September preceding the Tax Year is not higher than it was for the previous September, the figure for the Tax Year shall be the same as the figure for the previous Tax Year.

"**Eligible Employee**" means a permanent employee of a Hewlett-Packard Employer.

"**EDS Member**" means a Member as described in Rule 13.4 (provisions applicable to EDS Members).

"**Final Basic Salary**" means:

(a) on leaving Service at or after age 60, the highest annual average of a Member's Basic Salaries in respect of any 3 consecutive years in the 10 years ending on the date of leaving Service;

(b) on leaving Service aged 58 or 59, as (a) above, but the 10 year period will always end on the Member's 60th birthday and the Member's Basic Salary will be deemed unchanged from the date of leaving Service until his 60th birthday;

(c) on leaving Service before age 58, the greater of (a) above and the Member's Basic Salary at the date of leaving Service.

However, in respect of pension attributable to Pensionable Service from 1 December 2006, Final Basic Salary means the greater of:

(i) the highest annual average of a Member's Basic Salaries in respect of any 3 consecutive years in the 10 years ending on the date of leaving Service; and

(ii) the Member's Basic Salary at the date of leaving Service.

For this purpose, these calculations are to be made on the basis that Basic Salary is fixed as at the date of joining and each following Renewal Date.

If the Member has not been in Service for 3 years, the Trustees will calculate the Member's Final Basic Salary in a manner which they consider equitable and which is consistent with the Contracting-out and Preservation Laws.

Except as set out in Rule 13.3 (Members who joined the Plan before 1 June 1989), Final Basic Salary cannot exceed the amount of the Earnings Cap at the date on which the Member leaves Service.

"**Final Pensionable Salary**" means:

(a) on leaving Service at or after age 60, the highest annual average of the Member's Pensionable Salaries on any 3 consecutive Renewal Dates in the 10 years ending on the date of leaving Pensionable Service;

(b) on leaving Service aged 58 or 59, as (a) above, but assuming that the 10 year period ended on the Member's 60th birthday and that the Member's Pensionable Salary remained unchanged from the date of leaving Pensionable Service until his or her 60th birthday; and

(c) on leaving Service before age 58, the greater of (a) above and the Member's Pensionable Salary at the date of leaving Service.

However, in respect of pension attributable to Pensionable Service from 1 December 2006, Final Pensionable Salary means the greater of:

(i) the highest annual average of a Member's Pensionable Salaries on any 3 consecutive Renewal Dates in the 10 years ending on the date of leaving Service; and

(ii) the Member's Pensionable Salary at the date of leaving Service.

If the Member has not been in Service for 3 years, the Trustees will calculate the Member's Final Pensionable Salary in a manner which they consider equitable and which is consistent with the Contracting-out and Preservation Laws.

Except as set out in Rule 13.3 (Members who joined the Plan before 1 June 1989), Final Pensionable Salary cannot exceed the amount of the Earnings Cap at the date on which the Member leaves Service.

"**Final Reckonable Salary**" means the highest annual average of a Member's Pensionable Salaries on any 3 consecutive Renewal Dates in the 10 years ending on the date of leaving Service.

"**Hewlett-Packard Employer**" means an Employer that participates in the Hewlett-Packard Section of the Plan.

"**HP Member**" means a member who has joined the Hewlett-Packard Section for retirement benefits under Rule 2 (joining the Hewlett-Packard Section) but who is not a Bank of Ireland Member, a Medas Member or an EDS Member.

"**Incapacity**" means physical or mental impairment that prevents (and will continue to prevent) the Member from following his or her normal occupation or seriously impairs his or her earnings capacity. Before deciding whether a Member is suffering from Incapacity, the Trustees must obtain evidence from a registered medical practitioner that the Member is (and will continue to be) incapable of carrying on his or her occupation. The Trustees' decision as to whether a Member is suffering from Incapacity will be final.

"**Medas Member**" means a member as described in Rule 13.6 (provisions applicable to Medas Members).

"**Member**" means a HP Member (unless the context suggests otherwise).

Note: EDS Members. Bank of Ireland Members, and Medas Members are dealt with in Rules 13.4 to 13.6 and the Schedule to this Section, as appropriate.

"**Normal Pension Date**" means a Member's 60th birthday.

"**Pensionable Children**" has the meaning set out in Rule 7.2 (children's pension).

"**Pensionable Salary**" means a Member's Basic Salary less an amount equal to 1½ times the annual rate of the basic state pension for a single person on the date in question. Pensionable Salary is fixed as at the date of joining and each following Renewal Date.

"**Pensionable Service**" means Service as an Eligible Employee after joining the Hewlett-Packard Section, subject to a maximum of 40 years. In the case of an Eligible Employee who was in Service before 1 February 1985, it includes Service on or after that employee's 18th birthday before the date of joining the Plan. However, it does not include any period during which the Member has opted out of the Plan or ceased to be eligible to accrue benefits under the Plan or otherwise chosen not to accrue benefits under the Plan.

"**Renewal Date**" means 1 February in each year.

"**1989 EDS Member**" means an EDS Member who did not have continued rights, as defined in HM Revenue & Customs Practice Notes on the Approval of Occupational Pension Schemes (IR12) as in force on 5 April 2006.

2 Joining the Hewlett-Packard Section

2.1 Joining

The Hewlett-Packard Section is closed to new entrants.

Employees can only join the Hewlett-Packard Section at the invitation of the Principal Employer and with the consent of the Trustees.

A Member who leaves Service will only be permitted to rejoin the Hewlett-Packard Section with the consent of the Principal Employer and the Trustees and on such terms and conditions as the Principal Employer may decide. If a Member does rejoin, the Member's benefits will be calculated in accordance with Rule 10 (early leavers rejoining).

2.2 Ceasing to be eligible

A Member in Service will cease to be eligible if:

2.2.1 he or she ceases to be an Eligible Employee of an Employer participating in the Hewlett-Packard Section;

2.2.2 his or her contract of service is varied so that he or she is no longer eligible for membership; or

2.2.3 it would otherwise be unlawful to allow the Member to continue accruing benefits under the Plan.

The Member will be treated as having left Service immediately on ceasing to be eligible.

2.3 Opting out

A Member in Service may, at any time, opt out of the Plan by giving notice to the Employer and the Trustees.

The Member will be treated as having left Service on the day the notice expires.

If a Member's pension starts after Normal Pension Date, it will be increased for late payment on a basis certified as reasonable by an actuary.

A Member who opts out of the Plan may rejoin only with the specific permission of the Principal Employer and the Trustees and subject to the requirements of Rule 2.1 (joining).

Note: General Rule 9 (members with enhanced protection) applies to Enhanced Protection Members who previously opted out and remain employed by an Employer.

3 Contributions by Employers and Members

3.1 Contributions by Employers

Each Hewlett-Packard Employer must contribute to the Hewlett-Packard Section in respect of Members who are or have been employed by it at such rate as the Principal Employer determines from time to time after considering actuarial advice and agreeing with the Trustees.

For the avoidance of doubt, the Hewlett-Packard Employers must contribute to the Hewlett-Packard Section in respect of the funding of benefits to and in respect of individuals who transferred to the Hewlett-Packard Section under a deed dated 6 July 2016 at such rate as the Principal Employer determines from time to time after considering actuarial advice and agreeing with the Trustees.

Note: This power should be construed in accordance with Part 3 of the Pensions Act 2004 (scheme funding).

3.2 Contributions by Members

3.2.1 Contribution levels

Subject to the following paragraphs of this Rule 3.2, each Member in Service must contribute to the Hewlett-Packard Section at the annual rate set out below until he or she has completed 40 years of Pensionable Service. The Employer will deduct these contributions from the Member's earnings and pay them to the Trustees.

Note: This Rule is modified for Members who participate in salary sacrifice for pension contributions: see General Rule 6 (salary sacrifice).

Each Member must contribute at one of the following contribution levels:

(a) 13.65% of Contribution Salary (the "**basic contribution level**");

Note: Between 1 April 2010 and 5 April 2016, the basic contribution level was 12% of Contribution Salary. Between 1 February 2008 and 31 March 2010 the basic contribution level was 9% of Contribution Salary. Prior to 1 February 2008 the basic contribution level was such percentage of Contribution Salary as the Trustees and the Principal Employer agreed and notified to the Member. All contributions made prior to 1 February 2007 are treated as made at the basic contribution level;

(b) 10.65% of Contribution Salary; (the "**middle contribution level**");

Note: Between 1 April 2010 and 5 April 2016, the middle contribution level was 9% of Contribution Salary.

(c) 7.65% of Contribution Salary (the "**lower contribution level**");

Note: Between 1 April 2010 and 5 April 2016, the lower contribution level was 6% of Contribution Salary. Between 1 February 2007 and 31 March 2010 the lower contribution level was 3% of Contribution Salary unless otherwise agreed between the Principal Employer and Trustees and notified to the Member. The Trustees and the Principal Employer agreed that certain contributions made at 3% of Contribution Salary prior to 1 February 2008 are or are to be treated as made at either the basic contribution level or lower contribution level, as appropriate, and Members have been notified accordingly.

(d) 4.65% of Contribution Salary; (the "**tier 4 contribution level**");

Note: Between 1 April 2010 and 5 April 2016, the tier 4 contribution level was 3% of Contribution Salary.

(e) 1.65% of Contribution Salary (the "**tier 5 contribution level**").

Not all contribution levels are available to all Members. The Principal Employer and the Trustees determine which levels are available to which Members and Members are notified of the contribution levels available to them.

The Member must notify the Principal Employer of the contribution level he or she wishes to make. Members who do not choose a contribution level will contribute at such rate as the Principal Employer and the Trustees agree and notify to the Member.

With the agreement of the Principal Employer and the Trustees, a Member may choose to switch between the contribution levels referred to in this Rule 3.2.1.

The contribution level chosen by the Member determines the annual rate of pension, as described in Rule 4.1 (normal retirement).

3.2.2 **Other special cases**

(i) If a Member has been in Service for only part of a month, his or her contribution will be abated proportionately.

(ii) If a Member is in part-time employment, Rule 13.2.4 (Members who have worked part time - Contribution Salary) will apply for the purposes of calculating his or her monthly contributions.

(iii) If a Member is absent from work for family leave reasons, Rule 11.2 (family leave) shall apply.

(iv) If a Member receives benefits under the Principal Employer's long term disability scheme, the Member's contribution is reduced by 50% or such other amount determined by the Principal Employer and notified to the Member and the Trustees.

(v) If a Member is absent from work other than for reasons specified in (iii) and (iv) above, Rule 11.1 (Members away from work – General rule) shall apply.

(vi) If a Member is on secondment overseas, the Member's Contribution Salary will be a notional salary amount as notified by the Principal Employer to the Trustees.

(vii) For any period during which the Member participates in salary sacrifice for pension contribution purposes, General Rule 6.3 (salary sacrifice - payment of contributions) will apply, and the Member will be treated, for the purpose of calculating his or her pension under Rule 4.1 (normal retirement), as if he or she were contributing at the rate which the relevant Employer contributes, for pension contribution purposes, in respect of the Member.

3.3 Additional voluntary contributions by Members

A Member in Service may pay additional voluntary contributions ("**AVCs**") to the Hewlett-Packard Section on a basis agreed with the Trustees. The Trustees may impose any condition they think reasonable (including as to amounts that can be paid, the time at which payments can be paid, and the method of payment).

Each Member's AVCs may be invested separately from the other assets of the Section. The Trustees will notify Members of the investment options which are available in respect of AVCs and the Trustees will invest a Member's AVCs in accordance with any wishes made known by the Member to the Trustees. If a Member does not notify the Trustees of his or her investment choice, the application to pay AVCs will be incomplete and the Trustees will return the Member's AVCs to the Member.

Each Member's AVCs will be used to provide benefits on a money purchase basis (and are consequently included within the Member's Money Purchase Assets) for, or in respect of, the Member. These benefits will be additional to the other benefits described in these Rules.

The Member may decide the form of these benefits subject to any restrictions the Trustees may decide and the benefit being "authorised" for the purposes of Part 4 of the Finance Act 2004. They are also subject to any restrictions on payment of a retirement lump sum that the Trustees and the Principal Employer may agree to apply. This, however, does not affect the rights of any Member who, before 6 April 2006, already had a right to take a retirement lump sum from his or her AVCs.

If the Member's AVCs are used at the same time as the Member starts to receive a pension under Rule 4 (pensions for Members) or Rule 8 (early leavers – preserved pension), the maximum retirement lump sum payable may be calculated by reference to all of the Member's benefits coming into payment at that time and a greater proportion of the Member's AVCs paid as a retirement lump sum accordingly.

A Member may choose whether his or her pension is secured with an annuity contract (in which case the Member must be given an opportunity to select the insurance company) or provided through the Plan (unless the Principal Employer and the Trustees agree to withdraw this second option).

If a Member so requests, the Trustees may make a payment to the Member's financial adviser from the proceeds of the Member's AVCs. The payment must be authorised for the purposes of Part 4 of the Finance Act 2004.

Note: If a Member dies before he or she starts to receive a pension, the Trustees will use his or her AVCs to pay a lump sum as described in Rule 6.2.2 (Member dies in Service) or Rule 6.4 (Member dies with a preserved pension that has not started), as appropriate.

Note: General Rule 6 (salary sacrifice) may apply to a Member's AVCs if the Principal Employer and the Trustees agree.

4 Pensions for Members

4.1 Normal retirement

A Member who leaves Service at Normal Pension Date will receive a pension for life at an annual rate equal to:

4.1.1 in the case of a Member who has contributed at the basic contribution level, the higher of:

(i) 1/50th of Final Pensionable Salary for each complete year of Pensionable Service during which the Member paid contributions at the basic contribution level, plus an additional 1/600th for each additional complete month; and

(ii) 1/70th of Final Basic Salary for each complete year of Pensionable Service during which the Member paid contributions at the basic contribution level, plus an additional 1/840th for each additional complete month;

4.1.2 in the case of a Member who has contributed at the middle contribution level, the higher of:

(i) 1/56th of Final Pensionable Salary for each complete year of Pensionable Service during which the Member paid contributions at the middle contribution level plus an additional 1/672nd for each additional complete month; and

(ii) 1/78th of Final Basic Salary for each complete year of such Pensionable Service during which the Member paid contributions at the middle contribution level, plus an additional 1/936th for each additional complete month;

4.1.3 in the case of a Member who has contributed at the lower contribution level, the higher of:

(i) 1/60th of Final Pensionable Salary for each complete year of such Pensionable Service during which the Member paid contributions at the lower contribution level plus an additional 1/720th for each additional complete month; and

(ii) 1/84th of Final Basic Salary for each complete year of such Pensionable Service during which the Member paid contributions at the lower contribution level, plus an additional 1/1008th for each additional complete month;

4.1.4 in the case of a Member who has contributed at the tier 4 contribution level, the higher of:

(i) 1/70th of Final Pensionable Salary for each complete year of Pensionable Service during which the Member paid contributions at the tier 4 contribution level plus an additional 1/840th for each additional complete month; and

(ii) 1/98th of Final Basic Salary for each complete year of such Pensionable Service during which the Member paid contributions at the tier 4 contribution level, plus an additional 1/1176th for each additional complete month; or

4.1.5 in the case of a Member who has contributed at the tier 5 contribution level the higher of:

(i) 1/82nd of Final Pensionable Salary for each complete year of Pensionable Service during which the Member paid contributions at the tier 5 contribution level plus an additional 1/840th for each additional complete month; and

(ii) 1/115th of Final Basic Salary for each complete year of such Pensionable Service during which the Member paid contributions at the tier 5 contribution level plus an additional 1/1380th for each additional complete month.

If a Member has Pensionable Service falling within more than one of Rules 4.1.1 to 4.1.5, each period of Pensionable Service will be calculated separately to determine the Member's pension.

It may be that the Member's total Pensionable Service exceeds the aggregate of the Member's Pensionable Service taken into account as described in this Rule 4.1. If so, the Trustee will credit the Member with an additional period of Pensionable Service calculated on a basis that the Trustees and the Principal Employer determines to be fair (taking account of any limits provided elsewhere in these Rules).

Note: In 2008, the Trustees and Principal Employer agreed to treat certain Members who were contributing at the then lower contribution level as if the Member had paid contributions at the basic contribution level. Such Members agreed to make such additional contributions as the Principal Employer and the Trustees decided were appropriate to take account of this special treatment.

Note: The Member may choose to exchange benefits under the Plan as described in Rule 7.6 of the General Rules (pension increase exchange option) with effect from a date agreed with the Principal Employer and the Trustees.

4.2 Late retirement

A Member who stays in Service after reaching Normal Pension Date will receive a pension on leaving Service.

The pension will be calculated as described in Rule 4.1 (normal retirement) based on all the Member's Pensionable Service up to the date of leaving.

4.3 Early retirement

A Member who leaves Service before Normal Pension Date but after reaching age 55 may, with the consent of the Principal Employer, choose to receive an immediate pension.

The pension will be calculated as described in Rule 4.1 (normal retirement) but will then be reduced for early payment by:

4.3.1 $^{3.5}/_{12}\%$ simple for each complete month between the actual date of retirement and Normal Pension Date; or

4.3.2 on such other basis as is certified as reasonable by an actuary from time to time.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early under this Rule 4.3 are at least equal in value to the benefits to which the Member would otherwise have become entitled on leaving Service and allowing for any "anti-franking" requirements as described in Chapter 3 of Part 4 of the Pension Schemes Act 1993.

Note: If the Member is leaving because of Incapacity, this Rule does not apply; Rule 4.4 (early retirement through Incapacity) applies instead.

4.4 Early retirement through Incapacity

A Member who leaves Service before reaching Normal Pension Date because of Incapacity may choose to receive an immediate pension.

The pension will be calculated as described in Rule 4.1 (normal retirement) but as if Pensionable Service included:

4.4.1 if the Member became a Member before 1 June 1991, the period between the Member leaving Service and his or her 65th birthday; or

4.4.2 in any other case, the period between the Member leaving Service and his or her Normal Pension Date.

Until Normal Pension Date, the Trustees may from time to time require evidence of the Member's continued Incapacity. If not satisfied, the Trustees may reduce the Member's pension, or suspend it for any period or periods before Normal Pension Date (in which case the pension may also be reduced). The Principal Employer may also request the Trustees to vary or suspend payment following a change in the relevant circumstances of the Member.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires under this Rule 4.4 are at least equal in value to the benefits to which the Member would otherwise have become entitled on leaving Service.

Note: That part of the pension calculated by reference to a period of prospective service (i.e. the period between the Member leaving Service and Normal Pension Date, or the Member's 65th birthday, as appropriate) will be calculated using the accrual rate applicable to the Member at the date the Member leaves Service.

4.5 Additional benefits

The following benefits are payable in addition to any other benefits payable under this Rule 4:

4.5.1 benefits payable in respect of a Member's Money Purchase Assets;

4.5.2 benefits (to the extent that they do not form part of the Member's Money Purchase Assets or are otherwise included already within the Member's Pensionable Service) payable in respect of a Member's transfer in where the Trustees have accepted a transfer payment in respect of a Member in accordance with General Rule 11.1 (transfers from other pension schemes and arrangements).

The benefits described in Rules 4.5.1 and 4.5.2 will be on a basis decided by the Trustees after considering advice from an actuary (except that AVCs will be provided in accordance with Rule 3.3 (additional voluntary contributions by Members)).

Note: If a Member dies before he or she starts to receive a pension, the Trustees will use the Money Purchase Assets (other than AVCs) and/or the assets or surrender value from any transfer in, as appropriate, to provide benefits in respect of the person concerned as they decide are appropriate after considering advice from an actuary. AVCs will be used to provide such benefits in accordance with Rule 3.3 (additional voluntary contributions by Members).

Note: Any benefits provided on a discretionary basis in accordance with General Rule 7.3 (discretionary benefits), which are not otherwise covered by Rule 4.5.1 or 4.5.2, will be provided on terms on which they were granted.

5 Retirement choices

5.1 Lump sum

A Member may give up pension for a lump sum payable when his or her pension is due to start.

Where a pension attributable to different periods of Pensionable Service is subject to different terms (in particular in respect of pension increases), the pension given up by the Member will be in the proportion which each period of Pensionable Service bears to total Pensionable Service, unless the Trustees decide otherwise.

Subject to such restrictions as the Trustees may determine, a Member may choose a lump sum of any amount up to the maximum permitted as a "pension commencement lump sum" under Part 4 of the Finance Act 2004. However, the Member must keep a pension at least equal to his or her GMP.

The Trustees will convert pension to lump sum on a basis certified as reasonable by an actuary and agreed with the Principal Employer.

5.2 Optional Dependant's pension

If the Trustees allow, a Member may give up part of his or her own pension before it starts to provide a pension on his or her death for one or more of his or her Dependants (who for the purposes of this Rule 5.2 include (i) a Spouse and (ii) a child of the Member who is aged under 23, or who is over 23 and who, in the Trustee's opinion, was dependent on the Member at the date of the Member's death due to mental or physical impairment).

A pension payable under this Rule 5.2 will be paid in addition to any survivor's pension to which the recipient is entitled under Rule 7 (pensions for Spouses and children). However, the Member must keep a pension at least equal to his or her GMP and the total of all Dependants' pensions payable in respect of the Member under this Section cannot exceed the maximum permitted "dependants' scheme pension" under Part 4 of the Finance Act 2004. The Trustees will convert the Member's pension to Dependant's pension, having considered actuarial advice.

This choice will only take effect if:

5.2.1 both the Member and the nominated Dependant survives until the Member's pension is due to start; and

5.2.2 any nominated Dependant (including a Spouse or qualifying child as described above) remains a Dependant, Spouse or qualifying child of the Member until the Member's pension is due to start.

A Member who is in Service or who retires before Normal Pension Date and wishes to cancel his or her election to give up pension may do so with the Trustees' consent. In such case, the Member may then choose to give up pension again for a nominated Dependant.

A Member may not cancel his or her election to give up pension after the date the pension starts. If the nominated Dependant subsequently dies before the Member, the reduction in the Member's pension will continue to take effect.

A Member's application to give up pension as described above must be made in writing to the Trustees before his or her pension becomes payable. The Trustees may require evidence of the Member's good health before accepting the application.

6 Lump sum payable on Member's death

6.1 Lump sum death benefit

A lump sum death benefit will be paid if a Member dies:

6.1.1 in Service; or

6.1.2 before Normal Pension Date after starting to receive a pension under Rule 4.4 (early retirement through Incapacity); or

6.1.3 with a preserved pension that has not started.

The benefit will be calculated as described in Rule 6.2 (Member dies in Service), 6.3 (Member dies after early retirement through Incapacity pension starts) or 6.4 (Member dies with a preserved pension that has not started) (as appropriate) and paid as described in Rule 6.5 (payment of lump sum death benefits).

However:

(i) no benefit will be paid under this Rule 6 if there are no surviving Beneficiaries (as defined under Rule 6.5 (payment of lump sum death benefits) when the Member dies; and

(ii) no benefit will be paid under Rule 6.2.1 if a lump sum death benefit is payable from a separate Hewlett-Packard operated trust, scheme or arrangement (established for the sole purpose of providing lump sum death benefits payable on an employee's death in service), in respect of the death of the Member.

Interest will only be added if the Trustees so determine.

6.2 Member dies in Service

If a Member dies in Service, the benefit will be equal to:

6.2.1 4 times the Member's Basic Salary calculated at the date of his or her death (or such other amount, taking into account the Member's normal earnings, as the Trustees may determine); and

6.2.2 an amount equal to the value of the Member's AVCs at the date of his or her death in respect of contributions paid under Rule 3.3 (additional voluntary contributions by Members).

6.3 Member dies after early retirement through Incapacity pension starts

If a Member dies before Normal Pension Date after starting to receive a pension under Rule 4.4 (early retirement through Incapacity), the benefit will be equal to 4 times the Member's Basic Salary calculated at the date of his or her retirement.

6.4 Member dies with a preserved pension that has not started

If the Member dies with a preserved pension that has not started, the benefit will be equal to the value of the Member's AVCs at the date of death in respect of contributions paid under Rule 3.3 (additional voluntary contributions by Members).

6.5 Payment of lump sum death benefits

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

The "**Beneficiaries**" are

6.5.1 the Member's Spouse;

6.5.2 the Member's or Spouse's grandparents and their descendants (and the spouses, widows, widowers and surviving civil partners of those descendants);

6.5.3 the Member's Dependants;

6.5.4 any person with an interest in the Member's estate (but not including the Crown, the Duchy of Lancaster or the Duke of Cornwall); and

6.5.5 any person, organisation or charity nominated by the Member in writing to the Trustees.

The Trustees 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 Trustees may:

(i) direct that all or part of the lump sum will be held by themselves or other trustees on such trusts (including discretionary trusts) and with such powers and provisions (including powers of selection and variation) as the Trustees see fit; or

(ii) pay all or part of the lump sum to the trustees of any other existing trust.

If the Trustees cannot pay the benefit within two years after being notified of the Member's death (or, if the Trustees could have been reasonably aware of the Member's death at an earlier date, 2 years from that earlier date), they will transfer it to a separate account outside the Plan and pay it under this Rule 6.5 as soon as possible afterwards.

7 Pensions for Spouses and children

7.1 Spouse's pension

If a Member dies leaving a surviving Spouse, the Spouse will receive a pension for life.

The pension for a surviving Spouse will be calculated as described in Rule 7.3 (Member dies in Service), 7.4 (Member dies after pension starts), 7.5 (Member dies before Normal Pension Date whilst entitled to a preserved pension which has not started) or 7.6 (Member dies after Normal Pension Date whilst entitled to a preserved pension which has not started), (as appropriate). It will then be reduced if Rule 7.7 (young Spouse) applies.

If a Member dies leaving more than one surviving Spouse, the Trustees will pay the pension to one or more of them in such shares as the Trustees decide.

7.2 Children's pension

If a Member dies leaving Pensionable Children, a children's pension will be paid, except where Rule 7.5 (Member dies before Normal Pension Date whilst entitled to a preserved pension which has not started) applies. The pension will be calculated as described in Rule 7.3 (Member dies in Service), 7.4 (Member dies after pension starts) or 7.6 (Member dies after Normal Pension Date whilst entitled to a preserved pension which has not started) (as appropriate).

"**Pensionable Children**" are:

7.2.1 the Member's natural children;

7.2.2 the Member's stepchildren by marriage but only if they are financially dependent on the Member at the date of the Member's death;

7.2.3 children legally adopted by the Member; and

7.2.4 any other children who, in the Trustees' opinion, were dependent on the Member at the time of the Member's death and whom the Trustees agree to treat as Pensionable Children.

These children are Pensionable Children so long as they are under age 18 or under age 23 and in full-time education or training approved by the Trustees. In addition, a Pensionable Child who was a Dependant of the Member when he or she died and is or becomes wholly incapacitated before age 18 or before reaching age 23 (while still in education or training approved by the Trustees) will remain a Pensionable Child for so long as he or she remains wholly incapacitated.

A child who ceases to be a Pensionable Child after the Member's death (or who was not a Pensionable Child at the date of the Member's death) but satisfies the definition of a Pensionable Child again (or for the first time) at a later date will be entitled to a children's pension for the remainder of the relevant period.

The children's pension will be divided equally between the Pensionable Children. Each child's share may be paid to the child or paid to some other person, or to a fixed or discretionary trust for the child's benefit. Each child's pension will stop when that child ceases to be a Pensionable Child.

Where a Member initially leaves more than 3 Pensionable Children and one of those children subsequently ceases to be a Pensionable Child, then that child's share of the total pension will be divided amongst the remaining Pensionable Children. Once the number of Pensionable Children reduces to 3, there will be no further redistribution of pension. The children's pension will stop when there is no remaining Pensionable Child.

7.3 Member dies in Service

If the Member dies in Service:

7.3.1 the Spouse's pension payable will be equal to 36% of the Member's Basic Salary;

7.3.2 the children's pension payable will be equal to 9% of the Member's Basic Salary multiplied by the number of Pensionable Children from time to time up to a maximum of 3.

If the Member does not leave a Spouse or if the Member's Spouse dies after the date of the Member's death but whilst there are still Pensionable Children, the children's pension will instead be equal to:

(i) if there are one or two Pensionable Children, a total of 36% of the Member's Basic Salary; or

(ii) if there are three or more Pensionable Children, a total of 54% of the Member's Basic Salary.

In this case, notwithstanding the provision in Rule 7.2 (children's pension) that states the pension will cease to be re-distributed once the number of Pensionable Children is reduced to 3, the pensions will continue to be redistributed until there are no Pensionable Children remaining.

When calculating the Spouse's pension and the children's pension payable under this Rule 7.3, a Member's Basic Salary is calculated as at the date of his or her death.

For the purposes of this Rule 7.3, a Member's Basic Salary cannot exceed the Earnings Cap at the date of the Member's death except as set out in Rule 13.3 (Members who joined the Plan before 1 June 1989).

7.4 Member dies after pension starts

If the Member dies after starting to receive a pension:

7.4.1 the Spouse's pension payable will be equal to 60% of the Member's pension. If the Member's Spouse is a spouse for whom the Plan is required by the Contracting-out Laws to provide a GMP, the Spouse's pension will never be less than 1/160th of the Member's Final Reckonable Salary for each complete year of his or her contracted-out Service; and

7.4.2 the children's pension payable will be equal to 15% of the Member's pension multiplied by the number of Pensionable Children up to a maximum of 3.

If the Member does not leave a Spouse or if the Member's Spouse dies after the date of the Member's death but whilst there are still Pensionable Children, the children's pension will instead be equal to 30% of the Member's pension multiplied by the number of Pensionable Children up to a maximum of 3.

For the purposes of this Rule 7.4, the "Member's pension" is the pension payable to the Member at the date of his or her death, or, if the Member gave up pension for a lump sum or Dependant's pension on retirement, the pension which would have been payable if he or she had not done so.

7.5 Member dies before Normal Pension Date whilst entitled to a preserved pension which has not started

If the Member dies before Normal Pension Date with a preserved pension under Rule 8 (early leavers – preserved pension) which has not started, the Spouse's pension payable will be the greater of:

7.5.1 1/160th of the Member's Final Reckonable Salary for each complete year of Pensionable Service after 6 April 1978 together with an additional 1/1920th for each additional complete month; and

7.5.2 1/160th of the Member's Final Reckonable Salary for each complete year of Pensionable Service after 6 April 1978 and before 6 April 1997, together with an additional 1/1920th for each additional complete month and 1/160th of the Member's Band Earnings for each complete year of Pensionable Service from 6 April 1997 and proportionately for each complete month, where "Band Earnings" is 90% of the amount of the Member's earnings in any tax year between (a) the qualifying earnings factor for that year (as defined in the Social Security Contributions and Benefits Act 1992 (the "**Act**") and (b) the upper earnings limit for that year (as defined by the Act) multiplied by 53, averaged over the 3 years prior to leaving Service.

The GMP portion of this will be increased in accordance with the Contracting-out Laws, and the balance will be increased in a similar manner to the increase in paragraph (b) of Rule 8 (early leavers – preserved pension).

7.6 Member dies after Normal Pension Date whilst entitled to a preserved pension which has not started

If the Member dies after Normal Pension Date with a preserved pension under Rule 8 (early leavers – preserved pension) but before that pension has started:

7.6.1 the Spouse's pension payable will be equal to 60% of the Member's pension; and

7.6.2 the children's pension payable will be equal to 15% of the Member's pension multiplied by the number of Pensionable Children up to a maximum of 3.

If the Member does not leave a Spouse or if the Member's Spouse dies after the Member's death but whilst there are still Pensionable Children, the children's pension will instead be equal to 30% of the Member's pension multiplied by the number of Pensionable Children up to a maximum of 3.

For the purposes of this Rule 7.6, the "Member's pension" is the pension the Member would have received if the pension had started the day before his or her death and had the Member not given up any pension for a lump sum or Dependant's pension.

7.7 Young Spouse

If the Spouse to whom a pension is payable under this Rule 7 was more than 15 years younger than the Member, the Spouse's pension will be reduced by such an amount as the Trustees decide on the advice of an actuary. However, the pension will not be reduced by more than 2½% for each year of age difference greater than 15 (unless the Trustees, with the consent of the Principal Employer, decide otherwise) and it will not be reduced to less than any GMP that the Plan is required to provide for the Spouse.

7.8 Other Dependants' pensions

If, on the death of a Member, Rule 7.3 (Member dies in Service), 7.4 (Member dies after pension starts) or 7.5 (Member dies before Normal Pension Date whilst entitled to a preserved pension which has not started) applies, the Trustees may, with the consent of the Principal Employer, pay a pension to one or more of the Member's Dependants instead of or in addition to any pension payable to the Member's Spouse (whether or not the Member leaves a surviving Spouse). The total amount payable to the Member's Spouse and Dependants under this Rule 7.8 shall not be greater than the Spouse's pension which would otherwise be payable, but the Trustees may pay a pension of a smaller amount and may reduce or stop any pension at any time as they see fit.

If the Member leaves a Spouse, the pension payable to that Spouse cannot be less than a pension calculated in accordance with Rule 7.5 (Member dies before Normal Pension Date whilst entitled to a preserved pension which has not started).

8 Early leavers – preserved pension

A Member who leaves Service before Normal Pension Date without becoming entitled to an immediate pension will receive a pension for life from Normal Pension Date.

The pension from Normal Pension Date will be calculated at the date of leaving as described in Rule 4.1 (normal retirement) and will then be increased before payment as follows:

(a) the GMP will be increased as required by the Contracting-out Laws (except that, in respect of a male Member, the GMP will be revalued to Normal Pension Date (instead of only being revalued at age 65)); and

(b) the pension in excess of the GMP will be increased as required by the Revaluation Laws.

Note: At the date of these Rules, the Revaluation Laws require the Plan to provide increases broadly in line with the rise in the cost of living for complete years between the Member's leaving Service and Normal Pension Date. However, these increases are limited to a maximum of 5% a year compound for pension that is attributable to Pensionable Service before 6 April 2009 and 2.5% a year compound for pension that is attributable to Pensionable Service on and after 6 April 2009.

9 Choices for early leavers

9.1 Early pension

A Member entitled to a preserved pension may, with the consent of the Trustees, choose to start receiving it before Normal Pension Date (but not before reaching age 55 unless the Member is suffering from Incapacity).

If the pension starts before Normal Pension Date, the pension will be calculated as described in Rule 8 (early leavers – preserved pension) except that:

9.1.1 the GMP will be revalued to the date of payment (rather than only being revalued at age 65 in accordance with Contracting-out Laws);

9.1.2 the pension will be reduced for early payment on a basis certified as reasonable by an actuary; and

9.1.3 allowance should be made for any "anti-franking" requirements as described in Chapter 3 of Part 4 of the Pension Schemes Act 1993.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early are at least equal in value to the benefits that would otherwise have been provided for the Member under the Plan.

9.2 Late pension

A Member entitled to a preserved pension may, with the consent of the Trustees, choose to start receiving it after Normal Pension Date. If the pension starts after Normal Pension Date, it will be increased for late payment on a basis certified as reasonable by an actuary.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who chooses a later pension are at least equal in value to the benefits that would otherwise have been provided for the Member under the Plan.

9.3 Right to transfer or buy-out

A Member who leaves Service with a preserved pension at least a year before Normal Pension Date can require the Trustees to use the cash equivalent of his or her benefits (including death benefits) to buy one or more annuities, or to acquire rights under another pension scheme in accordance with the Transfer Value Laws.

However, the cash equivalent will never be less than a sum equal to the Member's contributions (or the contribution the Member would have made had he or she not participated in salary sacrifice) plus interest (at a rate decided by the Trustees from time to time) to the date of the transfer.

Where the Trustees have used the Member's transfer value as described in this Rule 9.3, they will be discharged from any obligation to provide benefits to which the transfer value related.

9.4 Choices at retirement

A Member entitled to a preserved pension may choose to give up pension for a lump sum, as described in Rule 5 (retirement choices).

10 Early leavers rejoining

It may be that a Member leaves Service and later returns. If so, the Member will be treated for the purposes of the Plan in the same way as any other new Eligible Employee. In particular, the Member will not be treated as in Pensionable Service after the break unless he or she rejoins the Hewlett-Packard Section of the Plan (which the Member can do only with the specific permission of the Principal Employer and the Trustees, as mentioned in Rule 2 (joining the Hewlett-Packard Section)).

If a Member leaves Service and later rejoins the Hewlett-Packard Section of the Plan, each period of Pensionable Service will be treated separately, unless the Principal Employer and the Trustees agree otherwise.

Note: A Member does not leave Service on a change of employment from one Employer participating in the Hewlett-Packard Section to another. In those circumstances, the Member's Service will be treated as continuous unless there is a break.

11 Members away from work

11.1 General rule

A Member who is away from work will normally be treated as having left Service if he or she stops receiving contractual pay from the Employers. The Principal Employer and the Trustees may, however, agree to treat any Member who is away from work or on secondment as still in Service for so long as they think fit.

The Principal Employer and the Trustees may agree special terms (consistent with the Contracting-out Laws) to apply to any Member's contributions and benefits for any period during which the Member is away from work. Any agreed special terms will be notified to the Member.

If the Member is away from work, with the agreement of his or her Employer, on an extended leave of absence, the Member will be treated as still in Service, other than for the purposes of Rule 4.4 (early retirement through Incapacity) but will not accrue Pensionable Service and will not be required to contribute to the Plan. On his or her return to work, the two periods of Pensionable Service will be treated as continuous (but excluding the duration of the break).

If the Member's absence from work is due to family leave, Rule 11.2 (family leave) will apply. Rule 3.2.2 (other special cases) may also apply.

11.2 Family leave

In this Rule 11.2, the references to maternity, paternity and adoption leave, and to parental and shared parental leave, mean the same as in the Employment Rights Act 1996.

Ordinary family leave

A Member will be treated as still in Service during any period of ordinary maternity, paternity or adoption leave.

Members who receive pay from their Employer for these periods must pay contributions on the amount received. Members who receive no pay do not have to pay contributions. A Member's benefits for these periods will, in any event, be calculated as if the Member had worked normally and received the normal pay for doing so.

Additional paid family leave

Members will also be treated as still in Service during any other period for which they receive pay from their Employer and which, for the purposes of Schedule 5 to the Social Security Act 1989 (equal treatment for men and women), is a period of maternity, paternity, adoption or shared parental leave or absence from work for other family reasons.

In each case, the Member must pay contributions on the pay received.

In the case of paid maternity, paternity, adoption and shared parental leave, the Member's benefits will be calculated as if he or she had worked normally and received the normal pay for doing so.

In the case of any other period of paid family leave, the Member's benefits will be based on the pay received, unless the Employer and the Trustees agree other terms that are no less favourable to the Member.

Additional unpaid family leave

Members will normally be treated as having left Service at the start of any period of unpaid additional maternity, paternity or adoption leave, shared (or other) parental leave or absence from work for other family reasons. However:

11.2.1 the Principal Employer and the Trustees may agree to treat a Member as still in Service, for some or all purposes of the Hewlett-Packard Section of the Plan, in which case they will also agree terms to apply to the Member's contributions (if any) and benefits for the period;

11.2.2 if the Member returns to work and rejoins the Hewlett-Packard Section of the Plan at the end of the period (including if the period is parental leave or absence for other family reasons), the Member's Pensionable Service before being treated as having left Service and after rejoining the Plan will be treated as continuous (but excluding the break);

11.2.3 if a Member dies during a period of additional maternity, paternity or adoption leave, or shared parental leave, Rules 6 (lump sum payable on Member's death) and 7 (pensions for Spouses and children) will apply as if the Member had returned to work immediately before dying;

11.2.4 if a Member is unable to return to work because of Incapacity at the end of maternity, paternity or adoption leave, or shared parental leave, Rule 4.4 (early retirement through Incapacity) will apply as if the Member had left Service because of Incapacity on the date when they would otherwise have returned to work.

12 General rules about pensions

12.1 Payment of pensions

Pensions are payable monthly in advance on such date as the Trustees may from time to time decide, except that the Trustees may pay a small pension less often. No part repayment is necessary on a pensioner's death for the month in which he or she died.

12.2 Pension increases

12.2.1 Service after 1 April 1997

Subject to Rule 12.2.8 (Member with more than 40 years' Service), any pension payable in respect of Pensionable Service on or after 1 April 1997, except for any GMP which is payable, will increase by 5% each year (or by such greater amount as may be required by law) with effect from 1 April each year. However, no pension will increase under this Rule 12.2.1 in any year by more than the increase in the retail prices index during a 12 month reference period ending on 31 December in each preceding year.

12.2.2 Pensions in payment on 1 April 1997

Any pension in payment on 1 April 1997, except for any GMP which is payable, will increase in each year by the lesser of:

(a) two-thirds of the percentage increase determined under Rule 12.2.1 (Service after 1 April 1997); and

(b) two-thirds of 5%.

12.2.3 Service before 1 April 1997

Subject to Rule 12.2.8 (Member with more than 40 years' Service), any pension payable in respect of Pensionable Service before 1 April 1997, in respect of a Member in Service immediately before that date, except for any GMP, will increase in each year, with effect from 1 April, by an amount calculated in accordance with the following formula:

$$\left(\frac{E + ((B - E) \times (D \div C))}{B}\right) \times A$$

Where:

A is the percentage determined under Rule 12.2.2 (pensions in payment on 1 April 1997);

B is the Member's actual Pensionable Service prior to 1 April 1997;

C is the Member's prospective Pensionable Service between 1 April 1997 and the earlier of the Member's Normal Pension Date and completion of 40 years' Pensionable Service;

D is the Member's Pensionable Service from 1 April 1997 to the earliest of the date of leaving Pensionable Service, the Member's Normal Pension Date and completion of 40 years of Pensionable Service; and

E is either the amount by which B is greater than C or nil if C is greater than or equal to B.

12.2.4 Incapacity pensions

Any pension payable under Rule 4.4 (early retirement through Incapacity) in respect of Pensionable Service before 1 April 1997, in respect of a Member in Service immediately before that date, except for any GMP, will increase in each year, with effect from 1 April, by the percentage increase determined under Rule 12.2.2 (pensions in payment on 1 April 1997). For the avoidance of doubt, such a pension shall be increased in accordance with Rule 12.2.1 (Service after 1 April 1997), in respect of Pensionable Service on or after 1 April 1997 which is included or deemed to be included in the calculation of such a pension.

12.2.5 Spouse's, children's and Dependant's pensions

Any pension which is payable in respect of a Member who dies in Service on or after 1 April 1997 under:

(i) Rule 7.3 (Member dies in Service); or

(ii) Rule 7.8 (other Dependants' pensions), where the pension is paid to a Dependant who in the Trustees' opinion was in a relationship equivalent to marriage and the amount of the pension limited by reference to Rule 7.3 (Member dies in Service),

except for any GMP which is payable, will increase by 5% each year (or by such greater amount as may be required by law) with effect from 1 April. However, no pension will increase under this Rule 12.2.5 in any year by more than the increase in the retail prices index during a 12 month reference period ending on 31 December in each year.

12.2.6 GMPs in payment

Where a GMP is payable, the increase described above will apply only to the pension in excess of the GMP. The part of the GMP that is attributable to earnings for the tax years 1988-89 to 1996-97 will increase in each year by the percentage specified in any orders made by the Secretary of State under Section 109 of the Pension Schemes Act 1993 (which is approximately equal to the percentage rise in the cost of living in each year, with a maximum of 3% a year). The remainder of the GMP will not increase.

12.2.7 Review of pensions

Pensions will also be reviewed regularly by the Principal Employer and may be increased from time to time by such amount and at such times as the Principal Employer decides with the consent of the Trustees (given after considering actuarial advice).

12.2.8 Member with more than 40 years' Service

Where a Member's actual Pensionable Service is 40 years but would have been greater but for the 40 year limitation in the definition of "Pensionable Service" in Rule 1 (meaning of words used), then, instead of Rules 12.2.1 (Service after 1 April 1997) and 12.2.3 (Service before 1 April 1997), the following shall apply:

(i) any pension payable in respect of Pensionable Service on or after 1 April 1997, except for any GMP which is payable, will be increased by the percentage determined in accordance with Rule 12.2.1 (Service after 1 April 1997);

(ii) the period in excess of 40 years will be deemed to be Pensionable Service on or after 1 April 1997 and the pension in respect of such service, except for any GMP which is payable, will be increased by the percentage determined in accordance with Rule 12.2.1 (Service after 1 April 1997); and

(iii) the pension in respect of the balance of the Member's Pensionable Service, except for any GMP which is payable, will be increased by the percentage determined in accordance with Rule 12.2.2 (Pensions in payment on 1 April 1997).

12.2.9 Pensions payable for less than one year

Pensions payable for less than one year may be increased by smaller amounts than those specified in Rules 12.2.1 to 12.2.8 on a basis which the Trustees consider equitable.

12.2.10 Pensions to which this Rule does not apply

Increases under this Rule 12.2 do not apply to any pension or part of a pension which is derived from additional voluntary contributions or under Rule 4.5 (additional benefits), provided under General Rule 7.3 (discretionary benefits), exchanged (including that part of a Spouse's or Dependant's pension which is attributable to such a pension which been exchanged) in accordance with Rule 7.6 of the General Rule (pension increase exchange option) or provided under General Rule 11.1 (transfers from other pension schemes and arrangements). Those pensions will increase in accordance with the terms on which they were granted or exchanged.

13 Special provisions for certain Members

13.1 Members who left Service before the date of this deed

The benefits for Members who left Service before the date of this deed (and the benefits payable on their death) will be as described in the provisions of the Plan in force previously from time to time. However, the benefits will be paid as described in these Rules, and Rule 6.5 (payment of lump sum death benefits) and the General Rules will apply in place of any corresponding previous provisions of the Plan. In particular, General Rule 5.5 (tax status of the Plan) will apply so that, if the Trustees would otherwise be required to make a payment that would be "unauthorised" by virtue of Section 160 of the Finance Act 2004, the payment will be treated as discretionary and will not be made unless the Trustees and the Principal Employer agree otherwise (which they need not do).

13.2 Members who have worked part time

This Rule 13.2 applies when calculating benefits for Members who have worked part time during any period of Pensionable Service. The aim is to provide benefits for part-time work that are proportionate to the corresponding benefits for full-time work.

The benefits relating to part-time employment will be calculated as set out below and notified to the Member.

13.2.1 Calculation of Pensionable Service

Pensionable Service is equal to:

(A/37.5) x B

where: A = the actual hours worked per week as a part-time employee; and

B = the actual period in years and months of the Member's Pensionable Service whilst he or she worked as a part-time employee.

It may be that the actual hours worked per week as a part-time employee differ for separate periods of employment. If so, separate calculations shall be made in respect of each such period and the aggregate of the results of each such calculation shall be used for the purpose of determining total Pensionable Service.

13.2.2 Calculation of Pensionable Salary

Pensionable Salary (for the purpose of calculating Final Pensionable Salary and Final Reckonable Salary only) is equal to:

(37.5/A) x C

less an amount equal to 1½ times the annual rate of the basic State pension for a single person determined in accordance with the definition of "Pensionable Salary" under Rule 1 (meaning of words used).

where: A = the actual hours worked per week whilst the Member worked as a part-time employee; and

C = the Member's Basic Salary as described in Rule 1 (meaning of words used) whilst the Member worked as a part-time employee.

13.2.3 Calculation of Basic Salary

Basic Salary (for the purpose of calculating Final Basic Salary only) is equal to:

(37.5/A) x C

where: A = the actual hours worked per week whilst the Member worked as a part-time employee; and

C = the Member's Basic Salary as described in Rule 1 (meaning of words used) whilst the member worked as a part-time employee.

Note: For the avoidance of doubt, "Basic Salary" used in the "C" part of the formula in Rule 13.2.2 (calculation of Pensionable Salary) and this Rule 13.2.3 is calculated as described in Rule 1 (meaning of words used). It is not the adjusted amount as described in this Rule 13.2.3.

13.2.4 Contribution Salary

"**Contribution Salary**" has the meaning set out in Rule 1 (meaning of words used) except that the deduction of an amount equal to 1½ times the annual rate of the basic State pension within the definition of "Pensionable Salary" is calculated using the same proportion as the actual hours worked by the part-time employee over the relevant period bear to the hours a full-time employee would have worked over the same period.

Note: For the avoidance of doubt, "Pensionable Salary" and "Basic Salary", insofar as they are used for calculating Contribution Salary under this Rule 13.2.4, are calculated as described in Rule 1 (meaning of words used). They are not adjusted as described in Rules 13.2.2 (calculation of Pensionable Salary) and 13.2.3 (calculation of Basic Salary).

13.2.5 Prospective service

Where prospective service is used in the calculation of a benefit under these Rules, such as in Rule 4.4 (early retirement through Incapacity), the Trustees will calculate these benefits as they consider appropriate after taking account of the number of hours a week worked by the Member from time to time.

13.3 Members who joined the Plan before 1 June 1989

In the case of Members who joined, or are deemed to have joined, the Plan before 1 June 1989 and any Member who joined the Apollo Computer UK Limited Plan before that date:

13.3.1 the references to the Earnings Cap do not apply; and

13.3.2 a Member who stays in Service after age 65 (including a Member who remains in employment with an Employer but who has opted out in accordance with Rule 2.3 (opting out) and who is otherwise treated as having left Service) may choose a pension under Rule 4.1 (normal retirement) at any time from age 65 up to leaving Service.

The Principal Employer may allow the Trustees to treat a Member who joined the Plan on or after 1 June 1989 as if he or she had joined before that date.

13.4 Provisions applicable to EDS Members

This Rule 13.4 shall apply to EDS Members.

"**EDS Member**" means a member who, immediately before 1 December 2016, was an active member of the Electronic Data Systems Retirement Plan and for whom the Principal Employer has determined that the provisions of this Rule 13.4 are applicable.

Benefits for and in respect of EDS Members will be provided from the Hewlett-Packard Section of the Plan for Pensionable Service under the Hewlett-Packard Section on and from 1 December 2016.

Benefits and contribution levels will be the same (in amount, terms and options) as each Member was accruing and contributing under the Electronic Data Systems Retirement Plan immediately before 1 December 2016, except that:

13.4.1 Rule 6.5 (payment of lump sum death benefits);

13.4.2 Rule 2 (joining the Hewlett-Packard Section); and

13.4.3 unless the context determines otherwise, the provisions of the General Rules.

will apply in place of any corresponding provisions of the Electronic Data Systems Retirement Plan.

Note: Certain EDS Members transferred their past service benefits to the Plan from the Electronic Data Systems Retirement Plan in accordance with, and on the terms set out in, a transfer agreement dated 30 March 2017. For the avoidance of doubt, unless otherwise specified or unless the context determines otherwise, the General Rules, including General Rule 5.5 (tax status of the Plan), apply to EDS Members' past service benefits.

13.5 Provisions applicable to Bank of Ireland Members

This Rule 13.5 shall apply to Bank of Ireland Members.

"**Bank of Ireland Member**" means Members (who are not Medas Members) who transferred to the Hewlett-Packard Section in accordance with, and on the terms set out in, a transfer agreement dated 6 July 2016.

Benefits and contribution levels for and in respect of Bank of Ireland Members are set out in the Schedule to the Hewlett-Packard Section of these Rules. For the avoidance of doubt, the General Rules apply to Bank of Ireland Members.

13.6 Provisions applicable to Medas Members

This Rule 13.6 shall apply to Medas Members.

"**Medas Member**" means Members (who are not Bank of Ireland Members) who transferred to the Hewlett-Packard Section in accordance with, and on the terms set out in, a transfer agreement dated 6 July 2016.

Benefits for and in respect of Medas Members are as described in transfer agreements dated 6 July 2016 and 28 May 2015.

For the avoidance of doubt, unless otherwise specified or unless the context determines otherwise, the General Rules apply to Medas Members, except that General Rule 5.5 (tax status of the Plan) (with the exception of the first paragraph) shall not apply and, instead, the limits which applied to Medas Members under the terms of the Medas Scheme shall apply.

Schedule to Hewlett-Packard Section
Bank of Ireland Members

1 Meaning of words used

In this Schedule, the following words have the meanings set out in this Rule 1. Other words have the same meanings as in General Rule 1 (meaning of words used).

"**Bank of Ireland Member**" means a member who was formerly a member of the Bank of Ireland Section of the Plan (but who is not a Medas Member) and who transferred to the Hewlett-Packard Section of the Plan in accordance with and on the terms set out in a transfer agreement dated 6 July 2016.

"**B&W Uplift Member**" means a Member who was, immediately before 1 April 2004, accruing benefits under the Final Salary Section of the Bristol and West Staff Pension Fund and who was eligible for a bonus (referred to as a UK divisional bonus) which was included in his or her salary for the purposes of calculating benefits under that scheme.

"**BIHM Member**" means a Member who was, immediately before 1 April 2004, accruing benefits under the Bank of Ireland Home Mortgages Limited Retirement Benefits Scheme.

"**Contributory Salary**" means:

(a) in the case of a B&W Uplift Member, 1.10 times the base salary received by the Member from the Employer in any pay period; and

(b) in any other case, the base salary received by the Member from the Employer in any pay period.

"**Death Benefit Salary**" means:

(a) in the case of a B&W Uplift Member, 1.10 times the annual rate of the Member's base salary from the Employer at the date of death; and

(b) in any other case, the annual rate of the Member's base salary from the Employer at the date of death.

"**Earnings Cap**" means:

(a) for the tax years up to and including the 2005/2006 tax year, that described in Section 590C of the Income and Corporation Taxes Act 1988 (earnings cap); or

(b) for the tax years after 2005/2006:

   (i) if HM Revenue & Customs continues to issue orders or other communications as if Section 590C of the Income and Corporation Taxes Act 1988 had not been repealed, then the Earnings Cap at any given date shall be the figure specified in the then current order or communication; or

   (ii) if HM Revenue & Customs ceases to issue such orders or communications, the Earnings Cap in any tax year (the "**Tax Year**") will be the Earnings Cap for the previous tax year increased by the percentage increase in the retail prices index over a 12-month period ending on the 30 September immediately preceding the Tax Year, provided that:

      – if the figure arrived at is not a multiple of £600, it shall be rounded up to the nearest amount that is such a multiple; and

– if the retail prices index for the September preceding the Tax Year is not higher than it was for the previous September the figure for the Tax Year shall be the same as the figure for the previous Tax Year.

"**Final Pensionable Salary**" means:

(a) in the case of a B&W Uplift Member and a BIHM Member, 1.10 times the highest amount of base salary received by the Member from the Employer; and

(b) in any other case, the highest amount of base salary received by the Member from the Employer,

during a period of twelve consecutive months in the 120 complete and consecutive months immediately preceding the date the Member leaves Service.

If a Member was not in Service for twelve months, Final Pensionable Salary will be determined by reference to the annual equivalent of the base salary received by the Member during the Member's Pensionable Service.

Final Pensionable Salary cannot, however, exceed the Earnings Cap except as described in Rule 13.3 (Members who joined the Plan before 1 June 1989).

"**Hewlett-Packard Employer**" means an Employer that participates in the Hewlett-Packard Section of the Plan

"**Incapacity**" means physical or mental impairment that prevents (and will continue to prevent) the Member from following his or her normal occupation or seriously impairs his or her earnings capacity. Before deciding whether a Member is suffering from Incapacity, the Trustees must obtain evidence from a registered medical practitioner that the Member is (and will continue to be) incapable of carrying on his or her occupation. The Trustees' decision as to whether a Member is suffering from Incapacity will be final.

"**Member**", for the purposes of this Schedule, means a Bank of Ireland Member (unless the context suggests otherwise).

"**Normal Pension Date**" means a Member's 60th birthday.

"**Pensionable Children**" has the meaning set out in Rule 7.2 (children's pension).

"**Pensionable Service**" means Service after joining the Bank of Ireland Section of the Plan plus Service in the Hewlett-Packard Section of the Plan following the transfer to the Hewlett-Packard Section on 6 July 2016. If the Member has transferred benefits from a Previous Scheme to the Plan, Pensionable Service will include any Pensionable Service credited to the Member in respect of the transfer to the Plan. Pensionable Service does not include any period during which the Member has opted out of the Plan or ceased to be eligible to accrue benefits under the Plan or otherwise chosen not to accrue benefits under the Plan.

"**Previous Schemes**" means the Final Salary Section of the Bristol and West Staff Pension Fund, the Bank of Ireland Staff Pensions Fund, the Bank of Ireland Home Mortgages Limited Retirement Benefits Scheme and the NIIB Group Limited (1975) Pension Scheme.

2 Joining the Hewlett-Packard Section

2.1 Joining

The Hewlett-Packard Section is closed to new entrants.

Employees can only join the Hewlett-Packard Section at the invitation of the Principal Employer and with the consent of the Trustees.

A Member who leaves Service will only be permitted to rejoin the Hewlett-Packard Section with the consent of the Principal Employer and the Trustees and on such terms and conditions as the Principal Employer may decide. If a Member does rejoin, the Member's benefits will be calculated in accordance with Rule 10 (early leavers rejoining).

2.2 Ceasing to be eligible

A Member in Service will cease to be eligible if:

2.2.1 his or her contract of service is varied so that he or she is no longer eligible for membership; or

2.2.2 it would otherwise be unlawful to allow the Member to continue accruing benefits under the Plan.

The Member will be treated as having left Service immediately on ceasing to be eligible.

2.3 Opting out

A Member in Service may, at any time, opt out of the Plan by giving notice to the Employer and the Trustees.

The Member will be treated as having left Service on the day the notice expires, except that, for so long as the Member actually remains in employment with an Employer, Rule 6.2 (Member dies in Service) will continue to apply to the same extent it would have applied had the Member not opted out.

If a Member's pension starts after Normal Pension Date, it will be increased for late payment on a basis certified as reasonable by an actuary

A Member who opts out of the Plan may rejoin only with the specific permission of the Principal Employer and the Trustees and subject to the requirements of Rule 2.1 (joining).

Note: General Rule 9 (Members with enhanced protection) applies to Enhanced Protection Members who previously opted out and remain employed by an Employer.

3 Contributions to the Plan

3.1 Contributions by Employers

Each Hewlett-Packard Employer must contribute to the Hewlett-Packard Section in respect of Members who are or have been employed by it at such rate as the Principal Employer determines from time to time after considering actuarial advice and agreeing with the Trustees.

For the avoidance of doubt, the Hewlett-Packard Employers must contribute to the Hewlett-Packard Section in respect of the funding of benefits to and in respect of individuals who transferred to the Hewlett-Packard Section under a deed dated 6 July 2016 at such rate as the Principal Employer determines from time to time after considering actuarial advice and agreeing with the Trustees.

Note: This power should be construed in accordance with Part 3 of the Pensions Act 2004 (scheme funding).

3.2 Contributions by Members

Subject to the following paragraphs of this Rule 3.2, each Member in Service must contribute to the Hewlett-Packard Section at one of the following contribution levels:

3.2.1 7% of his or her Contributory Salary (the "**basic contribution level**"); or

Note: Prior to 5 April 2016, the basic contribution level was 5% of Contributory Salary.

3.2.2 4% of his or her Contributory Salary (the "**lower contribution level**").

The Employer will deduct these contributions from the Member's earnings and pay them to the Trustees. The Principal Employer and the Trustees determine which levels are available to which Members and Members are notified of the contribution levels available to them.

Note: This Rule is modified for Members who participate in sacrifice for pension contributions: see General Rule 6 (salary sacrifice).

3.3 Additional voluntary contributions by Members

A Member in Service may pay additional voluntary contributions ("**AVCs**") to the Hewlett-Packard Section on a basis agreed with the Trustees. The Trustees may impose any conditions they think reasonable (including as to amounts that can be paid, the time at which payments can be paid, and the method of payment).

Each Member's AVCs may be invested separately from the other assets of the Section. The Trustees will notify Members of the investment options which are available in respect of AVCs and the Trustees will invest a Member's AVCs in accordance with any wishes made known to the Trustees. If a Member does not notify the Trustees of his or her investment choice, the application to pay AVCs will be incomplete and the Trustees will return the Member's AVCs to the Member.

Each Member's AVCs will be used to provide benefits on a money purchase basis (and are consequently included within the Member's Money Purchase Assets) for, or in respect of, the Member. These benefits will be additional to the other benefits described in these Rules.

The Member and the Trustees will agree the form of these benefits (or the Trustees will decide their form if they cannot be agreed) subject to any restrictions the Trustees may decide and the benefit being "authorised" for the purposes of Part 4 of the Finance Act 2004. They are also subject to any restrictions on payment of a retirement lump sum the Trustees and the Principal Employer may agree to apply. This does not affect the rights of any Member who, before 6 April 2006, already had a right to take a retirement lump sum from his or her AVCs.

If a Member so requests, the Trustees may make a payment to the Member's financial adviser from the proceeds of the Member's AVCs. The payment must be authorised for the purposes of Part 4 of the Finance Act 2004.

If the Member's AVCs are used at the same time as the Member starts to receive a pension under Rule 4 (pensions for Members) or Rule 8 (early leavers – preserved pension), the maximum retirement lump sum payable may be calculated by reference to all of the Member's benefits coming into payment at that time and a greater proportion of the Member's AVCs paid as a retirement lump sum accordingly.

A Member may choose whether his or her pension is secured with an annuity contract (in which case the Member must be given an opportunity to select the insurance company) or provided through the Plan (unless the Principal Employer and the Trustees agree to withdraw this second option).

Note: If a Member dies before he or she starts to receive a pension, the Trustees will use his or her AVCs to pay a lump sum as described in Rule 6.2.3 (Member dies in Service) or 6.4.2 (Member dies with a preserved pension that has not started), as appropriate.

Note: General Rule 6 (salary sacrifice) may apply to a Member's AVCs if the Principal Employer and the Trustees agree.

4 Pensions for Members

4.1 Normal retirement

A Member who leaves Service at Normal Pension Date will receive a pension for life at an annual rate equal to:

4.1.1 in the case of a member who has contributed at the basic contribution level, 1/60th of Final Pensionable Salary for each complete year of Pensionable Service during which the Member paid contributions at the basic contribution level, plus an additional 1/720th for each additional complete month; or

4.1.2 in the case of a Member who has contributed at the lower contribution level, 1/67th of Final Pensionable Salary for each complete year of Pensionable Service, plus an additional 1/804th for each additional complete month.

If a Member has Pensionable Service falling within more than one of Rules 4.1.1 and 4.1.2, each period of Pensionable Service will be calculated separately to determine the Member's pension.

It may be that the Member's total Pensionable Service exceeds the aggregate of the Member's Pensionable Service taken into account as described in this Rule 4.1. If so, the Trustee will credit the Member with an additional period of Pensionable Service calculated on a basis the Trustees and the Principal Employer determine to be fair (taking account of any limits provided elsewhere in these Rules).

Note: The Member may choose to exchange benefits under the Plan as described in Rule 7.6 of the General Rules (pension increase exchange option) with effect from a date agreed with the Principal Employer and the Trustees.

4.2 Late retirement

A Member who stays in Service after reaching Normal Pension Date will receive a pension on leaving Service.

The pension will be calculated as described in Rule 4.1 (normal retirement) based on all the Member's Pensionable Service up to the date of leaving.

4.3 Early retirement

A Member who leaves Service before Normal Pension Date but after reaching age 55 may, with the consent of the Principal Employer and the Trustees, choose to receive an immediate pension.

The pension will be calculated as described in Rule 4.1 (normal retirement) but will then be reduced for early payment on a basis determined by the Principal Employer.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early under this Rule 4.3 are at least equal in value to the benefits to which the Member would otherwise have become entitled on leaving Service and allowing for any "anti-franking" requirements as described in Chapter 3 of Part 4 of the Pension Schemes Act 1993.

If the Member is leaving because of Incapacity, this Rule 4.3 does not apply; Rule 4.4 (early retirement through Incapacity) applies instead.

4.4 Early retirement through Incapacity

A Member who leaves Service before Normal Pension Date because of Incapacity may choose an immediate pension.

The pension will be calculated as described in Rule 4.1 (normal retirement) but as if Pensionable Service included the period between the Member leaving Service and Normal Pension Date.

Before paying a pension under this Rule 4.4, the Trustees shall require evidence of Incapacity in the form of a certificate from a registered medical practitioner.

Until Normal Pension Date, the Trustees may from time to time require evidence of the Member's continued Incapacity. If not satisfied, the Trustees may reduce the Member's pension, or suspend it for any period or periods before Normal Pension Date (in which case the pension may also be reduced).

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires under this Rule 4.4 are at least equal in value to the benefits to which the Member would otherwise have become entitled on leaving Service.

Note: That part of the pension calculated by reference to a period of prospective service (i.e. the period between the Member leaving Service and Normal Pension Date) will be calculated using the accrual rate applicable to the Member at the date the Member leaves Service.

4.5 Additional benefits

The following benefits are payable in addition to any other benefits payable under this Rule 4:

4.5.1 benefits payable in respect of a Member's Money Purchase Assets; and

4.5.2 benefits (to the extent that they do not form part of the Member's Money Purchase Assets or are otherwise included already within the Member's Pensionable Service) payable in respect of a Member's transfer in where the Trustees have accepted a transfer payment in respect of a Member (other than a transfer from a Previous Scheme) in accordance with General Rule 11.1 (transfers from other pension schemes and arrangements).

The benefits described in Rules 4.5.1 and 4.5.2 will be on a basis decided by the Trustees after considering advice from an actuary (except that AVCs will be provided in accordance with Rule 3.3 (additional voluntary contributions by Members).

Note: If a Member dies before he or she starts to receive a pension, the Trustees will use the Money Purchase Assets (other than AVCs) and/or the assets or surrender value from any transfer in, as appropriate, to provide benefits in respect of the person concerned as they decide are appropriate after considering advice from an actuary. AVCs will be used to provide benefits in accordance with Rule 3.3 (additional voluntary contributions by Members).

Note: Any benefits provided on a discretionary basis in accordance with General Rule 7.3 (discretionary benefits), which are not otherwise covered by Rule 4.5.1 or 4.5.2, will be provided on terms on which they were granted.

5 Lump sum at retirement

A Member may give up pension for a lump sum payable when his or her pension is due to start.

Where a pension attributable to different periods of Pensionable Service is subject to different terms (in particular in respect of pension increases), the Member's pension given up by the Member will be in the proportion which each period of Pensionable Service bears to total Pensionable Service unless the Trustees decide otherwise.

Subject to such restrictions as the Trustees may determine, a Member may choose a lump sum of any amount up to the maximum permitted as a "pension commencement lump sum" under Part 4 of the Finance Act 2004. However, the Member must keep a pension of at least equal to his or her GMP.

The Trustees will convert pension to lump sum on a basis agreed between the Principal Employer and the Trustees after considering advice from an actuary.

6 Lump sum payable on Member's death

6.1 Lump sum death benefit

A lump sum death benefit will be paid if a Member dies:

6.1.1 in Service; or

6.1.2 within 5 years after starting to receive a pension; or

6.1.3 with a preserved pension that has not started.

The benefit will be calculated as described in Rule 6.2 (Member dies in Service), 6.3 (Member dies within 5 years after pension starts) or 6.4 (Member dies with a preserved pension that has not started) (as appropriate) and paid as described in Rule 6.5 (Payment of lump sum death benefits).

However:

(i) no benefit will be paid under this Rule 6 if there are no surviving Beneficiaries (as defined under Rule 6.5 (payment of lump sum death benefits)) when the Member dies; and

(ii) no benefit will be paid under Rule 6.2.1 if a lump sum death benefit is payable from a separate Hewlett-Packard operated trust, scheme or arrangement (established for the sole purpose of providing lump sum death benefits payable on an employee's death in service), in respect of the death of the Member.

6.2 Member dies in Service

If the Member dies in Service, the benefit will be equal to:

6.2.1 4 times the Member's Death Benefit Salary; and

6.2.2 the total contributions paid by the Member under Rule 3.2 (contributions by Members), with interest from the date of payment to the date of death at the rate of 2.5% a year; and

6.2.3 an amount equal to the value of the Member's AVCs at the date of his or her death in respect of contributions paid under Rule 3.3 (additional voluntary contributions by Members).

6.3 Member dies within 5 years after pension starts

If the Member dies within 5 years after starting to receive a pension, the benefit will be equal to the pension payments which would have been made to the Member during the remainder of the 5-year period if the Member had not died (but disregarding any future increases).

6.4 Member dies with a preserved pension that has not started

If the Member dies with a preserved pension that has not started, the benefit will be equal to:

6.4.1 the total contributions paid by the Member under Rule 3.2 (contributions by Members); and

6.4.2 an amount equal to the value of the Member's AVCs at the date of death in respect of contributions paid under Rule 3.3 (additional voluntary contributions by Members).

6.5 Payment of lump sum death benefits

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

The "**Beneficiaries**" are:

6.5.1 the Member's Spouse;

6.5.2 the Member's or Spouse's grandparents and their descendants (and the spouses, widows, widowers and surviving civil partners of those descendants);

6.5.3 the Member's Dependants;

6.5.4 any person with an interest in the Member's estate (but not including the Crown, the Duchy of Lancaster or the Duke of Cornwall); and

6.5.5 any person, charity or organisation nominated by the Member in writing to the Trustees.

The Trustees 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 Trustees may:

(i) direct that all or part of the lump sum be held by themselves or other trustees on such trusts (including discretionary trusts) and with such powers and provisions (including powers of selection and variation) as the Trustees see fit; or

(ii) pay all or part of the lump sum to the trustees of any other existing trust.

If the Trustees cannot pay the benefit within 2 years after being notified of the Member's death (or, if the Trustees could have been reasonably aware of the Member's death at an earlier date, 2 years from that earlier date), they will transfer it to a separate account outside the Plan and pay it under this Rule 6.5 as soon as possible afterwards.

7 Pensions for Spouses and children

7.1 Spouse's pension

If a Member dies leaving a surviving Spouse, the Spouse will receive a pension for life.

The pension for a surviving Spouse will be calculated as described in Rule 7.4 (Member dies in Service), 7.5 (Member dies after pension starts) or 7.6 (Member dies with a preserved pension that has not started) (as appropriate). It will then be reduced if Rule 7.7 (young Spouse) applies.

If a Member dies leaving more than one surviving Spouse, the Trustees will pay the pension to one or more of them in such shares as the Trustees decide.

7.2 Children's pension

If a Member dies leaving Pensionable Children, a children's pension will be paid, except where Rule 7.6.1 (Member dies before Normal Pension Date with a preserved pension that has not started) applies. The pension will be calculated as described in Rule 7.4 (Member dies in Service) or 7.5 (Member dies after pension starts) (as appropriate).

"**Pensionable Children**" are:

7.2.1 the Member's natural children;

7.2.2 the Member's stepchildren by such marriage but only if they are financially dependent on the Member at the date of the Member's death;

7.2.3 children legally adopted by the Member before leaving Service; and

7.2.4 any other children who, in the Trustees' opinion, were dependent on the Member at the time of the Member's death and whom the Trustees agree to treat as Pensionable Children.

These children are Pensionable Children for so long as they are under age 16 or under age 21 and in full-time education or training approved by the Trustees.

A child who ceases to be a Pensionable Child after the Member's death (or who was not a Pensionable Child at the date of the Member's death) but satisfies the definition of a Pensionable Child again (or for the first time) at a later date will be entitled to a children's pension for the remainder of the relevant period.

The children's pension will be divided equally between the Pensionable Children. Each child's share may be paid to the child, or paid to some other person, or to a fixed or discretionary trust, for the child's benefit.

Where a Member initially leaves more than 4 Pensionable Children and one of those children subsequently ceases to be a Pensionable Child, then that child's share of the total pension will be divided amongst the remaining Pensionable Children. Once the number of Pensionable Children reduces to 4, there will be no further redistribution of pension. Each child's pension will stop when that child ceases to be a Pensionable Child. The pension will stop when there is no remaining Pensionable Child.

7.3 Other Dependants' pension

If a Member dies and does not leave a Spouse, the Trustees may, with the consent of the Principal Employer, pay a pension to one or more of the Member's Dependants. The Trustees may calculate the total pension payable to all Dependants in the same way as they would calculate a Spouse's pension. However, the Trustees may pay a pension of a smaller amount, and may reduce or stop any pension at any time, as they see fit.

7.4 Member dies in Service

If the Member dies in Service before Normal Pension Date:

7.4.1 the Spouse's pension will be equal to 60% of the pension the Member would have received if he or she had stayed in Pensionable Service until Normal Pension Date, based on the Member's Final Pensionable Salary at the date of the Member's death; and

7.4.2 the children's pension will be equal to one quarter of the Spouse's pension multiplied by the number of Pensionable Children up to a maximum of four.

If the Member dies in Service on or after Normal Pension Date:

7.4.3 the Spouse's pension will be equal to 60% of the pension the Member would have received if he or she had retired immediately before his or her death without giving up any pension for a lump sum; and

7.4.4 the children's pension will be equal to one quarter of the Spouse's pension multiplied by the number of Pensionable Children up to a maximum of four.

Note: That part of the pension calculated by reference to a period of prospective service (i.e. the period between the Member's death and Normal Pension Date) will be calculated using the accrual rate applicable to the Member at the date of the Member's death.

7.5 Member dies after pension starts

If the Member dies after starting to receive a pension:

7.5.1 the Spouse's pension will be equal to 60% of the pension payable to the Member at the date of death or, if the Member gave up pension for a lump sum, 60% of the pension that would have been payable if the Member had not done so; and

7.5.2 the children's pension will be equal to one quarter of a Spouse's pension multiplied by the number of Pensionable Children up to a maximum of 4.

7.6 Member dies with a preserved pension that has not started

7.6.1 If the Member dies before Normal Pension Date with a preserved pension that has not started, the Spouse's pension will be equal to 60% of the preserved pension described in Rule 8 (early leavers – preserved pension) which the Member accrued since 6 April 1978, including increases as if the Revaluation Laws and Contracting-out Laws applied to the period between the Member's leaving Service and the Member's death.

7.6.2 If the Member dies on or after Normal Pension Date with a preserved pension that has not started:

(i) the Spouse's pension will be equal to 60% of the pension the Member would have received if he or she had retired immediately before his or her death without giving up any pension for a lump sum; and

(ii) the children's pension will be equal to one quarter of the Spouse's pension multiplied by the number of Pensionable Children up to a maximum of 4.

7.7 Young Spouse

If the Spouse to whom a pension is payable under this Rule 7 was more than 10 years younger than the Member, the Spouse's pension will be reduced by such amount as the Trustees decide on the advice of an actuary for each year of age difference greater than 10. However, the pension will not be reduced to less than any GMP that the Plan is required to provide for the Spouse.

8 Early leavers – preserved pension

A Member who leaves Service before Normal Pension Date without becoming entitled to an immediate pension will receive a pension for life from Normal Pension Date.

The pension from Normal Pension Date will be calculated at the date of leaving as described in Rule 4.1 (normal retirement), and will then be increased before payment as follows:

(a) the GMP will be increased as required by the Contracting-out Laws (except that, in respect of a male Member, the GMP will be revalued to Normal Pension Date (instead of only being revalued at age 65)); and

(b) the pension in excess of GMP will be increased as required by the Revaluation Laws.

Note: As at the date of these Rules, the Revaluation Laws require the Plan to provide increases broadly in line with rise in the cost of living for complete years between the Member's leaving Service and Normal Pension Date. However, these increases are limited to a maximum of 5% a year compound for pension that is attributable to Pensionable Service before 6 April 2009 and 2.5% a year compound for pensions that are attributable to Pensionable Service on and after 6 April 2009.

9 Choices for early leavers

9.1 Early pension

A Member entitled to a preserved pension may, with the consent of the Trustees, choose to start receiving it before Normal Pension Date (but not before reaching age 55), unless the Member is suffering from Incapacity).

If the pension starts before Normal Pension Date, the pension will be calculated as described in Rule 8 (early leavers – preserved pension), except that:

9.1.1 the GMP portion will be revalued to the date of payment (rather than only at GMP State pension age in accordance with the Contracting-out Laws); and

9.1.2 the pension will be reduced for early payment on a basis certified as reasonable by an actuary.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early are at least equal in value to the benefits that would otherwise have been provided for the Member under the Plan and allowing for any "anti-franking" requirements as described in Chapter 3 of Part 4 of the Pension Schemes Act 1993.

9.2 Late pension

A Member entitled to a preserved pension may, with the consent of the Trustees, choose to start receiving it after Normal Pension Date.

If the pension starts after Normal Pension Date, it will be increased for late payment on a basis certified as reasonable by an actuary.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who chooses a late pension are at least equal in value to the benefits that would otherwise have been provided for the Member under the Plan.

9.3 Right to transfer or buy-out

A Member who leaves Service with a preserved pension at least a year before Normal Pension Date can require the Trustees to use the cash equivalent of his or her benefits (including death benefits) to buy one or more annuities, or to acquire rights under another pension scheme, in accordance with the Transfer Value Laws.

Where the Trustees have used the Member's transfer value as described in this Rule 9.3, they will be discharged from any obligation to provide benefits to which the transfer value related.

9.4 Choices at retirement

A Member entitled to a preserved pension may choose to give up pension for a lump sum, as described in Rule 5 (lump sum at retirement).

10 Early leavers rejoining

It may be that a Member leaves Service and later returns. If so, the Member will be treated for the purposes of the Plan in the same way as any other new Employee. In particular, the Member will not be treated as in Pensionable Service after the break unless he or she rejoins the Hewlett-Packard Section of the Plan (which the Member can do only with the specific permission of the Principal Employer and the Trustees, as mentioned in Rule 2 (joining the Hewlett-Packard Section)).

If a Member leaves Service and later rejoins, each period of Pensionable Service will be treated separately unless the Principal Employer and the Trustees agree otherwise.

Note: A Member does not leave Service on a change of employment from one Employer participating in the Hewlett-Packard Section to another. In those circumstances, the Member's Service will be treated as continuous unless there is a break.

11 Members away from work

11.1 General rule

A Member who is away from work will normally be treated as having left Service if he or she stops receiving contractual pay from the Employers. The Principal Employer and the Trustees may, however, agree to treat any Member who is away from work or on secondment as still in Service for so long as they think fit.

The Principal Employer and the Trustees may agree special terms (consistent with the Contracting-out Laws) to apply to any Member's contributions and benefits for any period during which the Member is away from work. Any agreed special terms will be notified to the Member.

If the Member is away from work, with the agreement of his or her Employer, on an extended leave of absence, the Member will be treated as still in Service, other than for the purposes of Rule 4.4 (early retirement through Incapacity), but will not accrue Pensionable Service and will not be required to contribute to the Plan. On his or her return to work, the two periods of Pensionable Service will be treated as continuous (but excluding the duration of the break)

If the Member's absence from work is due to family leave, Rule 11.2 (family leave) will apply.

11.2 Family leave

In this Rule 11.2, the terms references to maternity, paternity and adoption leave, and to parental and shared parental leave, mean the same as in the Employment Rights Act 1996.

Ordinary family leave

A Member will be treated as still in Service during any period of ordinary maternity, paternity or adoption.

Members who receive pay from their Employer for these periods must pay contributions on the amount received. Members who receive no pay do not have to pay contributions. A Member's benefits for these periods will, in any event, be calculated as if the Member had worked normally and received the normal pay for doing so.

Additional paid family leave

Members will also be treated as still in Service during any other period for which they receive pay from their Employer and which, for the purposes of Schedule 5 to the Social Security Act 1989 (equal treatment for men and women), is a period of maternity, paternity, adoption or shared parental leave or absence from work for other family reasons.

In each case, the Member must pay contributions on the pay received.

In the case of paid maternity, paternity, adoption and shared parental leave, the Member's benefits will be calculated as if he or she had worked normally and received the normal pay for doing so.

In the case of any other period of paid family leave, the Member's benefits will be based on the pay received, unless the Employer and the Trustees agree other terms that are no less favourable to the Member.

Additional unpaid family leave

Members will normally be treated as having left Service at the start of any period of unpaid additional maternity, paternity or adoption leave, shared (or other) parental leave or absence from work for other family reasons. However:

11.2.1 the Principal Employer and the Trustees may agree to treat a Member as still in Pensionable Service, for some or all purposes of the Bank of Ireland Section of the Plan, in which case they will also agree terms to apply to the Member's contributions (if any) and benefits for the period;

11.2.2 if the Member returns to work and rejoins the Hewlett-Packard Section of the Plan at the end of the period (including if the period is parental leave or absence for other family reasons), the Member's Pensionable Service before being treated as having left Service and after rejoining the Plan will be treated as continuous (but excluding the break);

11.2.3 if a Member dies during a period of additional maternity, paternity or adoption leave, or shared parental leave, Rules 6 (lump sum payable on Member's death) and 7 (pensions for Spouses and children) will apply as if the Member had returned to work immediately before dying;

11.2.4 if a Member is unable to return to work because of Incapacity at the end of maternity, paternity or adoption leave, or shared parental leave, Rule 4.4 (early retirement through Incapacity) will apply as if the Member had left Service because of Incapacity on the date when they would otherwise have returned to work.

12 General rules about pensions

12.1 Payment of pensions

Pensions are payable monthly in advance, except that the Trustees may pay small pensions less often. Where pensions are payable in advance, no part repayment is necessary on the pensioner's death for the month in which he or she died.

12.2 Pension increases

12.2.1 Dates of increases

Any increases to pensions will take effect each year on a date decided by the Trustees. The intervals between increases will not exceed 12 months.

12.2.2 Rates of increases

Any part of a pension in payment that is attributable to Pensionable Service on or after 6 April 1997 will increase in each year in accordance with the requirements of Section 51 of the Pensions Act 1995.

The remainder of the pension will increase in each year by the lower of 3% and the percentage increase in the retail prices index during a reference period ending on 31 December.

In the case of a Member who joined the Plan before 6 April 1997, any Member's pension under Rule 4.4 (early retirement through Incapacity) and any pensions payable on a Member's death in Service will be treated as attributable to Pensionable Service on and after 6 April 1997, except to the extent that they are attributable to actual Pensionable Service before that date.

If an interval between increases is less than 12 months, the increase will be an appropriate proportion of the full increase described above.

12.2.3 GMPs in payment

Where a GMP is payable, the increase described above will apply only to the pension in excess of the GMP. The part of the GMP that is attributable to earnings for the tax years from 1988-89 to 1996-97 will increase in each year by the percentage specified in any order made by the Secretary of State under Section 109 of the Pension Schemes Act 1993 (which is approximately equal to the percentage rise in the cost of living in each year, with a maximum of 3% a year).

The remainder of the GMP will not increase.

12.2.4 Review of pensions

Pensions will be reviewed by the Principal Employer regularly and may be further increased by such amount and at such times as the Principal Employer decides with the consent of the Trustees (given after considering actuarial advice).

12.2.5 Pensions to which this Rule does not apply

Increases under this Rule 12.2 do not apply to any pension or part of a pension which is derived from additional voluntary contributions or under Rule 4.5 (additional benefits), provided under General Rule 7.3 (discretionary benefits), exchanged (including that part of a Spouse's or Dependant's pension which is attributable to such a pension which has been exchanged) in accordance with Rule 7.6 of the General Rules (pension increase exchange option) or provided under General Rule 11.1 (transfers from other pension schemes and arrangements). Those pensions will increase in accordance with the terms on which they were granted or exchanged.

13 Special provisions for certain Members

13.1 Members who left Service before the date of this deed

The benefits for Members who left Service before the date of this deed (and the benefits payable on their death) will be as described in the provisions of the Plan in force previously from time to time. However, the benefits will be paid as described in these Rules, and Rule 6.5 (payment of lump sum death benefits) and the General Rules will apply in place of any corresponding previous provisions of the Plan. In particular, General Rule 5.5 (tax status of the Plan) will apply so that, if the Trustees would otherwise be required to make a payment that would be "unauthorised" by virtue of Section 160 of the Finance Act 2004, the payment will be treated as discretionary and will not be made unless the Trustees and the Principal Employer agree otherwise (which they need not do).

13.2 Members who have worked part time

This Rule 13.2 applies when calculating benefits for Members who have worked part time during any period of Pensionable Service. The aim is to provide benefits for part-time work that are proportionate to the corresponding benefits for full-time work.

The benefits relating to part-time employment will be calculated as set out below and notified to the Member.

13.2.1 Calculation of Pensionable Service

Pensionable Service is equal to:

(A/37.5) x B

where: A = the actual hours worked per week as a part-time employee; and

B = the actual period in years and months of the Member's Pensionable Service whilst he or she worked as a part-time employee.

It may be that the actual hours worked per week as a part-time employee differ for separate periods of employment. If so, separate calculations shall be made in respect of each such period and the aggregate of the results of each such calculation shall be used for the purpose of determining total Pensionable Service.

13.2.2 Calculation of base salary

Base salary (for the purposes of calculating a Member's Final Pensionable Salary only) is equal to:

(37.5/A) x C

where: A = the actual hours worked per week whilst the Member worked as a part-time employee; and

C = the Member's base salary received from the Employer, as described in the definition of "Final Pensionable Salary" in Rule 1 (meaning of words used), whilst the Member worked as a part-time employee.

13.2.3 Prospective service

Where prospective service is used in the calculation of a benefit under these Rules, such as in Rule 4.4 (early retirement through Incapacity) and Rule 7.4 (Member dies in Service), the Trustees will calculate these benefits as they consider appropriate after taking account of the number of hours a week worked by the Member from time to time.

13.3 Members who joined the Plan before 1 June 1989

In the case of Members who are deemed to have joined the Plan before 1 June 1989, the references to the Earnings Cap do not apply. The Principal Employer may allow the Trustees to treat a Member who is deemed to have joined the Plan before 1 June 1989 as if he or she had joined after that date.

Digital Section

Digital Section

1 Meaning of words used

In this Section, the following words have the meaning set out in this Rule 1. Other words have the same meanings as in General Rule 1 (meaning of words used).

"**5% LPI Member**" means a Member who has chosen, with effect from 1 July 2005, to increase his or her basic contributions under Rule 3.2 (contributions by Members) in order to receive additional pension increases as described in Rule 12.2.2 (rates of increases). The Principal Employer will notify the Trustees if a Member has made this choice.

"**Digital Employer**" means an Employer that participates in the Digital Section.

"**Digital Member**" means a person who has joined the Digital Section for retirement benefits under Rule 2 (joining the Digital Section) or who transferred from the Digital Pension Plan on 1 October 2006 as described in Rule 13.4 (Members who transferred from the Digital Pension Plan on 1 October 2006).

"**Digital Pension Plan**" means the Digital Pension Plan governed by a definitive trust deed and rules dated 16 June 2004.

"**Final Pensionable Salary**" means the highest amount of Pensionable Salary received by the Member from the Employer during a period of twelve consecutive months in the 60 complete and consecutive months immediately preceding the date the Member leaves Service.

If a Member was not in Pensionable Service for twelve months, Final Pensionable Salary will be determined by reference to the annual equivalent of Pensionable Salary received by the Member during the Member's Pensionable Service.

"**Incapacity**" means physical or mental impairment that prevents (and will continue to prevent) the Member from following his or her normal occupation or seriously impairs his or her earnings capacity. Before deciding whether a Member is suffering from Incapacity, the Trustees must obtain evidence from a registered medical practitioner that the Member is (and will continue to be) incapable of carrying on his or her occupation. The Trustees' decision as to whether a Member is suffering from Incapacity will be final.

"**Member**" means a Digital Member, unless the context suggests otherwise.

"**Normal Pension Date**" means the Member's 65th birthday.

"**Pensionable Children**" has the meaning set out in Rule 7.2 (children's pension).

"**Pensionable Salary**" means the Member's annual rate of basic salary from the Employers less an amount equal to 1½ times the annual basic State pension for a single person. Both the annual rate of basic salary and the single person's annual basic State pension are determined as at the date of joining and then at each following 1 July.

"**Pensionable Service**" means the Member's Service after joining the Digital Section. If the Member transferred from the Digital Pension Plan on 1 October 2006, Pensionable Service will also include any Pensionable Service credited to the Member under the Digital Pension Plan before 1 October 2006. Pensionable Service does not include any period during which the Member has opted out of the Plan or ceased to be eligible to accrue benefits under the Plan or otherwise chosen not to accrue benefits under the Plan.

2 Joining the Digital Section

2.1 Joining

The Digital Section is closed to new entrants.

A Digital Section Member who leaves Service will only be permitted to rejoin the Digital Section with the consent of the Principal Employer and on such terms and conditions as the Principal Employer may decide. If a Member does rejoin, the Member's benefits will be calculated in accordance with Rule 10 (early leavers rejoining).

2.2 Ceasing to be eligible

A Member in Service will cease to be eligible if:

2.2.1 his or her contract of service is varied so that he or she is no longer eligible for membership; or

2.2.2 it would otherwise be unlawful to allow the Member to continue accruing benefits under the Plan.

The Member will be treated as having left Service immediately on ceasing to be eligible.

2.3 Opting out

A Member in Service may, at any time, opt out of the Plan by giving notice to the Employer and the Trustees.

The Member will be treated as having left Service on the day the notice expires.

If a Member's pension starts after Normal Pension Date, it will be increased for late payment on a basis certified as reasonable by an actuary.

A Member who opts out of the Plan may rejoin only with the specific permission of the Principal Employer and the Trustees and subject to the requirements of Rule 2.1 (joining).

Note: General Rule 9 applies to Enhanced Protection Members who previously opted out and remain employed by an Employer.

3 Contributions to the Plan

3.1 Contributions by Employers

Each Digital Employer must contribute to the Digital Section in respect of Members who are or have been employed by it at such rate as the Principal Employer determines from time to time after considering actuarial advice. However, if and to the extent required by Part 3 of the Pensions Act 2004 (scheme funding), each Digital Employer will agree these matters with the Trustees.

3.2 Contributions by Members

Subject to the following paragraphs of this Rule 3.2, each Member in Service must contribute to the Digital Section at the annual rate set out below or at such other rate as the Principal Employer may determine from time to time. The Employer will deduct these contributions from the Member's earnings and pay them to the Trustees.

Note: This Rule 3.2 is modified for Members who participate in salary sacrifice for pension contributions: see General Rule 6 (salary sacrifice).

3.2.1 Contribution levels

Each Member must contribute at one of the following contribution levels:

(a) 14% of Pensionable Salary (the "**basic contribution level**");

Note: Between 1 April 2010 and 5 April 2016, the basic contribution level was 12% of Pensionable Salary. Between 1 February 2008 and 31 March 2010, the basic contribution level was 9% of Pensionable Salary. Prior to 1 February 2008, the basic contribution level was such percentage of Pensionable Salary as the Trustees and the Principal Employer agreed and notified to the Member.

(b) 11% of Pensionable Salary (the "**middle contribution level**");

Note: Between 1 April 2010 and 5 April 2016, the middle contribution level was 9% of Pensionable Salary.

(c) 8% of Pensionable Salary (the "**lower contribution level**");

Note: Between 1 April 2010 and 5 April 2016, the lower contribution level was 6% of Pensionable Salary. Between 1 February 2007 and 31 March 2010 the lower contribution level was 3% of Pensionable Salary unless otherwise agreed between the Principal Employer and Trustees and notified to the Member.

(d) 5% of Pensionable Salary (the "**tier 4 contribution level**"); or

Note: Between 1 April 2010 and 5 April 2016, the tier 4 contribution level was 3% of Pensionable Salary.

(e) 2% of Pensionable Salary (the "**tier 5 contribution level**").

Not all contribution levels are available to all Members. The Principal Employer and the Trustees determine which levels are available to which Members and Members are notified of the contribution levels available to them.

The Member must notify the Principal Employer of the contribution level he or she wishes to make. Members who do not choose a contribution level will contribute at such rate as the Principal Employer and the Trustees agree and notify to the Member.

3.2.2 Additional contribution for a 5% LPI Member

It may be that a Member has chosen to be a 5% LPI Member. If so, he or she must contribute an additional 2.5% of Pensionable Salary.

Note: This additional 2.5% is payable in addition to the contribution level described in Rule 3.2.1.

3.2.3 Additional contributions for increased death in Service lump sum

It may be that a Member has elected to be eligible for the increased lump sum death benefit under Rule 6.2 (Member dies in Service). If so, he or she must contribute such additional amount as the actuary advises is necessary to provide the benefit.

3.2.4 Other special cases

(i) If a Member has been in Service for only part of a month, his or her contribution will be abated proportionately.

(ii) If a Member is in part-time employment, Rule 13.2.3 (Member contributions) will apply for the purposes of calculating his or her monthly contributions.

(iii) If a Member is absent from work for family leave reasons, Rule 11.2 (family leave) shall apply.

(iv) If a Member receives benefits under the Principal Employer's long-term disability scheme, the Member's contribution is reduced by 50% or such other amount determined by the Principal Employer and notified to the Member and the Trustees.

(v) If a Member is absent from work other than for reasons specified in (iii) and (iv) above, Rule 11.1 (Members away from work – General rule) shall apply.

(vi) If a Member is on secondment overseas, the Member's Pensionable Salary will be a notional salary amount as notified by the Principal Employer to the Trustees.

(vii) For any period during which the Member participates in salary sacrifice for pension contribution purposes, General Rule 6.3 (salary sacrifice - payment of contributions) will apply, and the Member will be treated, for the purpose of calculating his or her pensions under Rule 4.1 (normal retirement), as if he or she were contributing at the rate which the relevant Employer contributes, for pension contribution purposes, in respect of the Member.

3.3 Additional voluntary contributions by Members

A Member in Service may pay additional voluntary contributions ("**AVCs**") to the Digital Section on the basis set out in Rules 3.3.1 (Money Purchase AVCs) and 3.3.2 (Additional Final Salary AVCs). These benefits will be additional to the other benefits described in these Rules.

The Trustees may impose any condition they think reasonable (including as to amounts that can be paid, the time at which payments can be made, and the method of payment).

Note: General Rule 6 (salary sacrifice) may apply to a Member's AVCs if the Principal Employer and Trustees agree.

3.3.1 Money Purchase AVCs

Each Member's AVCs may be invested separately from the other assets of the Section. The Trustees will notify Members of the investment options which are available in respect of AVCs and the Trustees will invest a Member's AVCs in accordance with any wishes made known to the Trustees. If a Member does not notify the Trustees of his or her investment choice, the application to pay AVCs will be incomplete and the Trustees will return the Member's AVCs to the Member.

Each Member's AVCs will be used to provide benefits on a money purchase basis (and are consequently included within the Member's Money Purchase Assets) for, or in respect of, the Member.

The Member may decide the form of these benefits subject to any restrictions the Trustees may decide and the benefit being "authorised" for the purposes of Part 4 of the Finance Act 2004. They are also subject to any restrictions on the payment of a retirement lump sum which the Trustees and the Principal Employer may agree to apply. This, however, does not affect the rights of any Member who, before 6 April 2006, already had a right to take a retirement lump sum from his or her AVCs.

If the Member's AVCs are used at the same time as the Member starts to receive a pension under Rule 4 (pensions for Members) or Rule 8 (early leavers – preserved pension), the maximum retirement lump sum payable may be calculated by reference to all of the Member's benefits coming into payment at that time and a greater proportion of the Member's AVCs paid as a retirement lump sum accordingly.

A Member may choose whether his or her pension is secured with an annuity contract (in which case the Member must be given an opportunity to select the insurance company) or provided through the Plan (unless the Principal Employer and the Trustees agree to withdraw this second option).

If a Member so requests, the Trustees may make a payment to the Member's financial adviser from the proceeds of the Member's AVCs. The payment must be authorised for the purposes of Part 4 of the Finance Act 2004.

Note: If a Member dies before he or she starts to receive a pension, the Trustees will use his or her Money Purchase AVCs to pay a lump sum as described in Rule 6.2.3 (Member dies in Service) or Rule 6.4.2 (Member dies with a preserved pension that has not started), as appropriate.

3.3.2 Additional Final Salary AVCs

A Member can pay Additional Final Salary AVCs at an annual rate of up to 20% of Pensionable Salary. The Member's AVCs will be used to provide benefits as follows:

(i) in respect of each year of Pensionable Service (and an additional proportion for such additional complete month) during which the Member has paid AVCs at the rate of 2.5% of Pensionable Salary, additional pension equal to 1/300th (0.33%) of Final Pensionable Salary; and

(ii) if the Member pays AVCs at a rate in excess of 2.5% of Pensionable Salary, the additional pension under (i) above will be increased by such amount as an actuary in consultation with the Trustees and the Principal Employer advises.

The Member may, with the consent of the Trustees and the Principal Employer, also choose to give up the additional pension provided in respect of his or her Additional Final Salary AVCs in accordance with Rule 5.1 (lump sum).

Note: If a Member dies before he or she starts to receive a pension, the Trustees will use his or her Additional Final Salary AVCs to pay a lump sum as described in Rule 6.2.2 (Member dies in Service) or Rule 6.4.1 (Member dies with a preserved pension that has not started), as appropriate.

Note: A Member making Additional Final Salary AVCs can only start, increase, reduce or stop the level of AVCs payable once every 12 months, unless otherwise agreed by the Principal Employer and the Trustees.

4 Pensions for Members

4.1 Normal retirement

A Member who leaves Service at Normal Pension Date will receive a pension for life at an annual rate equal to:

4.1.1 in the case of a Member who has contributed at the basic contribution level, 1/60th of Final Pensionable Salary for each complete year of Pensionable Service during which the Member paid contributions at the basic contribution level, plus an additional 1/720th for each additional complete month;

4.1.2 in the case of a Member who has contributed at the middle contribution level, 1/67th of Final Pensionable Salary for each complete year of Pensionable Service during which the member paid contributions at the middle contribution level, plus an additional 1/804th for each additional complete month;

4.1.3 in the case of a Member who has contributed at the lower contribution level, 1/72nd of Final Pensionable Salary for each complete year of Pensionable Service during which the Member paid contributions at the lower contribution level, plus an additional 1/864th for each additional complete month;

4.1.4 in the case of a Member who has contributed at the tier 4 contribution level, 1/84th of Final Pensionable Salary for each complete year of Pensionable Service during which the member paid contributions at the tier 4 contribution level, plus an additional 1/1008th for each additional complete month; and

4.1.5 in the case of a Member who has contributed at the tier 5 contribution level, 1/96th of Final Pensionable Salary for each complete year of Pensionable Service during which the Member paid contributions at the tier 5 contribution level plus an additional 1/1152nd for each additional complete month.

If a Member has Pensionable Service falling within more than one of Rules 4.1.1 to 4.1.5, each period of Pensionable Service will be calculated separately to determine the Member's pension.

It may be that the Member's total Pensionable Service exceeds the aggregate of the Member's Pensionable Service taken into account as described in this Rule 4.1. If so, the Trustee will credit the Member with an additional period of Pensionable Service calculated on a basis the Trustees and the Principal Employer determine to be fair (taking account of any limits provided elsewhere in these Rules).

Note: The Member's pension, however, will not be less than the minimum described in Rule 13.5 (minimum pension in respect of contracted-out Service). In addition, if the Member joined the Digital Pension Plan before 1 July 1988, Rule 13.3 (Members who joined the Digital Pension Plan before 1 July 1988) may apply.

Note: In 2008, the Trustees and Principal Employer agreed to treat certain Members who were contributing at the then lower contribution level as if the Member had paid contributions at the basic contribution level. Such Members agreed to make such additional contributions as the Principal Employer and the Trustees decided were appropriate to take account of this special treatment.

4.2 Late retirement

A Member who stays in Service after reaching Normal Pension Date will receive a pension on leaving Service.

The pension will be calculated as described in Rule 4.1 (normal retirement), based on all the Member's Pensionable Service up to the date of leaving.

4.3 Early retirement

A Member who leaves Service before Normal Pension Date but after reaching age 55 may choose to receive an immediate pension. However, the consent of the Principal Employer is required if the Member is younger than 60.

The pension will be calculated as described in Rule 4.1 (normal retirement) but will then be reduced for early payment before age 60 by:

4.3.1 $^{1}/_{3}$% for each month between early retirement and age 60; or

4.3.2 such other percentage advised by an actuary and agreed by the Principal Employer.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early under this Rule 4.3 are at least equal in value to the benefits to which the Member would otherwise have become entitled on leaving Service. If a Member retires at age 60 or above but before his or her Normal Pension Date, the pension should be increased by such amount as is required by the "anti-franking" provisions as described in Chapter 3 of Part 4 of the Pension Schemes Act 1993.

If the Member is leaving because of Incapacity, this Rule 4.3 does not apply. Rule 4.4 (early retirement through Incapacity) applies instead.

4.4 Early retirement through Incapacity

A Member who leaves Service before Normal Pension Date because of Incapacity may, with the consent of the Principal Employer, choose an immediate pension.

The pension will be calculated as described in Rule 4.1 (normal retirement) but as if Pensionable Service included the period between the Member leaving Service and Normal Pension Date. The pension will then be reduced for early payment on a basis certified as reasonable by an actuary.

Until Normal Pension Date, the Trustees may from time to time require evidence of the Member's continued Incapacity. If not satisfied, the Trustees may reduce the Member's pension or suspend it for any period or periods before Normal Pension Date (in which case the pension may also be reduced). The Principal Employer may also request the Trustees to vary or suspend payment following a change in the relevant circumstances of the Member.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires under this Rule 4.4 are at least equal in value to the benefits to which the Member would otherwise have become entitled on leaving Service.

Note: That part of the pension calculated by reference to a period of prospective service (i.e. the period between the Member leaving Service and Normal Pension Date) will be calculated using the accrual rate applicable to the Member at the date the Member leaves Service.

4.5 Additional benefits

The following benefits are payable in addition to any other benefits payable under this Rule 4:

4.5.1 benefits payable in respect of a Member's Money Purchase Assets;

4.5.2 benefits (to the extent that they do not form part of the Member's Money Purchase Assets or are otherwise included already within the Member's Pensionable Service) payable in respect of a Member's transfer in where the Trustees have accepted a transfer payment in respect of a Member (other than a transfer from the Digital Pension Plan) in accordance with General Rule 11.1 (transfers from other pension schemes and arrangements).

The benefits described in Rules 4.5.1 and 4.5.2 will be on a basis decided by the Trustees after considering advice from an actuary (except that AVCs will be provided in accordance with Rule 3.3 (additional voluntary contributions by Members)).

Note: If a Member dies before he or she starts to receive a pension, the Trustees will use the Money Purchase Assets (other than AVCs) and/or the assets or surrender value from any transfer in, as appropriate, to provide benefits in respect of the person concerned as they decide are appropriate after considering advice from an actuary. AVCs will be used to provide such benefits in accordance with Rule 3.3 (additional voluntary contributions by Members).

Note: Any benefits provided on a discretionary basis in accordance with General Rule 7.3 (discretionary benefits), which are not otherwise covered by Rule 4.5.1 or 4.5.2, will be provided on terms on which they were granted.

5 Retirement choices

5.1 Lump sum

A Member may give up pension for a lump sum payable when his or her pension is due to start. Where a pension attributable to different periods of Pensionable Service is subject to different terms (in particular in respect of pension increases), the Member's pension given up by the Member will be in the proportion which each period of Pensionable Service bears to total Pensionable Service unless the Trustees decide otherwise.

Subject to such restrictions as the Trustees may determine, a Member may choose a lump sum of any amount up to the maximum permitted as a "pension commencement lump sum" under Part 4 of the Finance Act 2004. However, the Member must keep a pension of at least equal to his or her GMP.

The Trustees will convert pension to lump sum on a basis certified as reasonable by an actuary.

5.2 Optional Dependant's pension

A Member may give up part of his or her own pension before it starts to provide a pension on his or her death for one or more Dependants (who, for the purposes of this Rule 5.2, include (i) a Spouse and (ii) a child of the Member who is aged under 23, or who is over 23 and who, in the Trustee's opinion was dependant on the Member at the date of the Member's death due to mental or physical impairment).

A pension payable under this Rule 5.2 will be paid in addition to any survivor's pension to which the recipient is entitled under Rule 7 (pensions for Spouses and children).

However, the Member must keep a pension at least equal to his or her GMP and the total of all Dependants' pensions under the Section cannot exceed the maximum permitted "dependants' scheme pension" under Part 4 of the Finance Act 2004.

The Trustees will convert the Member's pension to Dependant's pension, having considered actuarial advice.

This choice will only take effect if:

5.2.1 both the Member and the nominated Dependant survives until his or her pension is due to start; and

5.2.2 any Dependant (including a Spouse or qualifying child of the Member as described above) remains a Dependant, Spouse or qualifying child of the Member until the Member's pension is due to start.

A Member who is in Service or who retires before Normal Pension Date and wishes to cancel his or her election to give up pension may do so with the Trustees' consent. In such case, the Member may then choose to give up pension again for a nominated Dependant.

A Member may not cancel his or her election to give up pension after the date the pension starts. If the nominated Dependant subsequently dies before the Member, the reduction in the Member's pension will continue to take effect.

A Member's application to give up pension as described above must be made in writing to the Trustees before his or her pension becomes payable. The Trustees may require evidence of the Member's good health before accepting the application.

6 Lump sum payable on Member's death

6.1 Lump sum death benefit

A lump sum death benefit will be paid if a Member dies:

6.1.1 in Service; or

6.1.2 within 5 years after starting to receive a pension; or

6.1.3 with a preserved pension that has not started.

The benefit will be calculated as described in Rule 6.2 (Member dies in Service), 6.3 (Member dies within 5 years after pension starts) or 6.4 (Member dies with a preserved pension that has not started) (as appropriate) and paid as described in Rule 6.5 (payment of lump sum death benefits). However:

(i) no benefit will be paid under this Rule 6 if there are no surviving Beneficiaries (as defined under Rule 6.5 (payments of lump sum death benefits)) when the Member dies; and

(ii) no benefit will be paid under Rule 6.2.1 if a lump sum death benefit is payable from a separate Hewlett-Packard operated trust, scheme or arrangement (established for the sole purpose of providing lump sum death benefits payable on an Employee's death in service), in respect of the death of the Member.

6.2 Member dies in Service

If the Member dies in Service, the benefit will be equal to:

6.2.1 3 times the Member's annual rate of basic salary as at the date of his or her death or, if the Member was paying increased contributions in accordance with Rule 3.2.3 (additional contributions for increased death in Service lump sum), 4 times the Member's annual rate of basic salary as at the date of death;

6.2.2 the total contributions paid by the Member under Rule 3.2 (contributions by Members) and Rule 3.3.2 (Additional Final Salary AVCs), without interest; and

6.2.3 an amount equal to the value of the Member's money purchase AVCs (calculated under Rule 3.3.1 (Money Purchase AVCs)) at the date of death in respect of contributions paid under Rule 3.3.1 (Money Purchase AVCs).

6.3 Member dies within 5 years after pension starts

If the Member dies within 5 years after starting to receive a pension, the benefit will be equal to:

6.3.1 the pension payments which would have been made during the remainder of the 5-year period if the Member had not died (but disregarding any future increases); less

6.3.2 any Spouse's pension payable over the same period in accordance with Rule 7.5 (Member dies after pension starts).

6.4 Member dies with a preserved pension that has not started

If the Member dies with a preserved pension that has not started, the benefit will be equal to:

6.4.1 the total contributions paid by the Member under Rules 3.2 (contributions by Members) and 3.3.2 (Additional Final Salary AVCs) without interest; and

6.4.2 an amount equal to the value of the Member's money purchase AVCs at the date of death in respect of contributions paid under Rule 3.3.1 (Money Purchase AVCs).

6.5 Payment of lump sum death benefits

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

The "**Beneficiaries**" are:

6.5.1 the Member's Spouse;

6.5.2 the Member's or Spouse's grandparents and their descendants (and the spouses, widows, widowers and surviving civil partners of those descendants);

6.5.3 the Member's Dependants;

6.5.4 any person with an interest in the Member's estate (but not including the Crown, the Duchy of Lancaster or the Duke of Cornwall); and

6.5.5 any person, charity or organisation nominated by the Member in writing to the Trustees.

The Trustees 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 Trustees may:

(i) direct that all or part of the lump sum be held by themselves or other trustees on such trusts (including discretionary trusts) and with such powers and provisions (including powers of selection and variation) as the Trustees see fit; or

(ii) pay all or part of the lump sum to the trustees of any other existing trust.

If the Trustees cannot pay the benefit within 2 years after being notified of the Member's death (or, if the Trustees could have been reasonably aware of the Member's death at an earlier date, 2 years from that earlier date), they will transfer it to a separate account outside the Plan and pay it under this Rule 6.5 as soon as possible afterwards.

7 Pensions for Spouses and children

7.1 Spouse's pension

If a Member dies leaving a surviving Spouse, the Spouse will receive a pension for life.

The pension for a surviving Spouse will be calculated as described in Rule 7.4 (Member dies in Service), 7.5 (Member dies after pension starts) or 7.6 (Member dies with a preserved pension that has not started) (as appropriate). The Spouse's pension, however, will not be less than the minimum described in Rule 13.5 (minimum pension in respect of contracted-out Service).

If a Member dies leaving more than one Spouse, the pension payable will be paid to any one Spouse or divided between two or any more of them as the Trustees see fit.

However, it may be that the Spouse was separated from and not dependent upon the Member at the date of the Member's death. If so, and if the normal Spouse's pension is more than the minimum described in Rule 13.5 (minimum pension in respect of contracted-out Service), a Spouse's pension will only be paid if the Trustees see fit.

If the Spouse's pension is payable only if the Trustees see fit, the Trustees may pay a smaller pension to the Spouse (but not less than the pension calculated in Rule 13.5 (minimum pension in respect of contracted-out Service)). If the Trustees pay a smaller pension to the Spouse, they may (but need not) pay the balance of the normal Spouse's pension to one or more of the Member's Dependants.

7.2 Children's pension

If a Member dies leaving Pensionable Children, a children's pension will be paid, except where Rule 7.6.1 (Member dies before Normal Pension Date with a preserved pension that has not started) applies. The pension will be calculated as described in Rule 7.4 (Member dies in Service) or 7.5 (Member dies after pension starts) (as appropriate).

"**Pensionable Children**" are:

7.2.1 the Member's natural children;

7.2.2 the Member's stepchildren but only if they are financially dependent on the Member at the date of the Member's death;

7.2.3 children legally adopted by the Member; and

7.2.4 any other children who, in the Trustees' opinion, were dependent on the Member at the time of the Member's death and whom the Trustees agree to treat as Pensionable Children.

These children are Pensionable Children for so long as they are (a) under age 18, (b) under age 23 and in full-time education or training approved by the Trustees or (c) suffering from mental or physical disability which renders him or her, in the opinion of the Trustees, dependent on the Member.

A child who ceases to be a Pensionable Child after the Member's death (or who was not a Pensionable Child at the date of the Member's death) but satisfies the definition of a Pensionable Child again (or for the first time) at a later date will be entitled to a children's pension for the remainder of the relevant period.

The children's pension will be divided equally between the Pensionable Children. Each child's share may be paid to the child, or paid to some other person, or to a fixed or discretionary trust, for the child's benefit.

Where a Member initially leaves more than 3 Pensionable Children and one of those children subsequently ceases to be a Pensionable Child, then that child's share of the total pension will be divided amongst the remaining Pensionable Children. Once the number of Pensionable Children reduces to 3, there will be no further redistribution of pension and each child's pension will finish when that child ceases to be a Pensionable Child. The pension will stop altogether when there is no remaining Pensionable Child.

7.3 Other Dependants' pension

If a Member dies and does not leave a Spouse, the Trustees may (but need not) pay a pension to one or more of the Member's Dependants. The Trustees may calculate the total pension payable to all Dependants in the same way as they would calculate a Spouse's pension. However, the Trustees may pay a pension of a smaller amount, and may reduce or stop any pension at any time, as they see fit.

7.4 Member dies in Service

If the Member dies in Service before Normal Pension Date:

7.4.1 the Spouse's pension will be equal to 60% of the pension the Member would have received if he or she had stayed in Pensionable Service until Normal Pension Date, based on Pensionable Salary at the date of the Member's death; and

7.4.2 the children's pension will be equal to one fifth of the Spouse's pension multiplied by the number of Pensionable Children up to a maximum of three.

If the Member dies in Service on or after Normal Pension Date:

7.4.3 the Spouse's pension will be equal to 60% of the pension the Member would have received if he or she had retired immediately before his or her death without giving up any pension for a lump sum or a Dependant's pension on retirement; and

7.4.4 the children's pension will be equal to one fifth of the Spouse's pension multiplied by the number of Pensionable Children up to a maximum of three.

Note: That part of the pension calculated by reference to a period of prospective service (i.e. the period between the Member's death and Normal Pension Date) will be calculated using the accrual rate applicable to the Member at the date of the Member's death.

7.5 Member dies after pension starts

If the Member dies after starting to receive a pension:

7.5.1 the Spouse's pension will be equal to 60% of the pension payable to the Member at the date of death or, if the Member gave up pension for a lump sum or a Dependant's pension, 60% of the pension that would have been payable if the Member had not done so; and

7.5.2 the children's pension will be equal to one fifth of a Spouse's pension multiplied by the number of Pensionable Children up to a maximum of 3.

7.6 Member dies with a preserved pension that has not started

7.6.1 If the Member dies before Normal Pension Date with a preserved pension that has not started, the Spouse's pension will be equal to 60% of the preserved pension described in Rule 8 (early leavers - preserved pension), including increases as if the Revaluation Laws and Contracting-out Laws applied to the period between the Member's leaving Service and the Member's death.

7.6.2 If the Member dies on or after Normal Pension Date with a preserved pension that has not started:

(i) the Spouse's pension will be equal to 60% of the pension the Member would have received if he or she had retired immediately before his or her death without giving up any pension for a lump sum or Dependant's pension; and

(ii) the children's pension will be equal to one fifth of the Spouse's pension multiplied by the number of Pensionable Children up to a maximum of 3.

7.7 Orphans

If no Spouse's or other Dependant's pension is payable, or ceases to be payable, the children's pension will be doubled.

8 Early leavers – preserved pension

A Member who leaves Service before Normal Pension Date without becoming entitled to an immediate pension will receive a pension for life from Normal Pension Date.

The pension payable from Normal Pension Date will be calculated at the date of leaving as described in Rule 4.1 (normal retirement) and will then be increased as follows:

(a) the GMP will be increased as required by the Contracting-out Laws; and

(b) the pension in excess of the GMP will be increased as required by the Revaluation Laws.

Note: As at the date of these Rules, the Revaluation Laws require the Plan to provide increases broadly in line with the rise in the cost of living for complete years between the Member's leaving Service and Normal Pension Date. However, these increases are limited to a maximum of 5% a year compound for pension that is attributable to Pensionable Service before 6 April 2009 and 2.5% a year compound for pension that is attributable to Pensionable Service on and after 6 April 2009.

9 Choices for early leavers

9.1 Early pension

A Member entitled to a preserved pension may, with the consent of the Trustees and the Principal Employer, choose to start receiving it before Normal Pension Date (but not before reaching age 55, unless the Member is suffering from Incapacity). However, consent is not needed if the Member is aged 60 or older.

If the pension starts before Normal Pension Date, the pension will be calculated as described in Rule 8 (early leavers – preserved pension), except that:

9.1.1 the GMP will be revalued to the date of payment (rather than only at GMP State pension age in accordance with the Contracting-out Laws); and

9.1.2 the pension will be reduced for early payment before age 60 by $^{1}/_{3}$% for each month between early retirement and age 60 or such other percentage advised by an actuary and agreed by the Principal Employer.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who retires early are at least equal in value to the benefits that would otherwise have been provided for the Member under the Plan. If a Member retires at age 60 or above but before his or her Normal Pension Age, the pension may also be increased by such amount as is required by the "anti-franking" provisions as described in Chapter 3 of Part 4 of the Pension Schemes Act 1993.

9.2 Late pension

A Member entitled to a preserved pension may, with the consent of the Trustees, choose to start receiving it after Normal Pension Date.

If the pension starts after Normal Pension Date, it will be increased for late payment on a basis certified as reasonable by an actuary.

The Trustees must be reasonably satisfied that the benefits (including death benefits) for a Member who chooses a late pension are at least equal in value to the benefits that would otherwise have been provided for the Member under the Plan.

9.3 Right to transfer or buy-out

A Member who leaves Service with a preserved pension at least a year before Normal Pension Date can require the Trustees to use the cash equivalent of his or her benefits (including death benefits) to buy one or more annuities, or to acquire rights under another pension scheme, in accordance with the Transfer Value Laws.

Where the Trustees have used the Member's transfer value as described in this Rule 9.3, they will be discharged from any obligation to provide benefits to which the transfer value related.

9.4 Retirement choices

A Member entitled to a preserved pension may choose to give up pension for a lump sum or a Dependant's pension as described in Rule 5 (retirement choices).

10 Early leavers rejoining

It may be that a Member leaves Service and later returns. If so, the Member will be treated for the purposes of the Plan in the same way as any other new Employee. In particular, the Member will not be treated as in Pensionable Service after the break unless he or she rejoins the Digital Section of the Plan (which the Member can do only with the specific permission of the Principal Employer, as mentioned in Rule 2 (joining the Digital Section)).

If a Member leaves Service and later rejoins the Digital Section of the Plan, each period of Pensionable Service will be treated separately, unless the Principal Employer and the Trustees agree otherwise.

Note: A Member does not leave Service on a change of employment from one Employer participating in the Digital Section to another. The Member's Service will be treated as continuous unless there is a break.

11 Members away from work

11.1 General rule

A Member who is away from work will normally be treated as having left Service if he or she stops receiving contractual pay from the Employers. The Principal Employer may, however, agree to treat any Member who is away from work or on secondment as still in Service for so long as it thinks fit.

The Principal Employer and the Trustees may agree special terms (consistent with the Contracting-out Laws) to apply to any Member's contributions and benefits for any period during which the Member is away from work. Any agreed special terms will be notified to the Member.

If the Member is away from work, with the agreement of his or her Employer, on an extended leave of absence, the Member will be treated as still in Service, other than for the purposes of Rule 4.4 (early retirement through Incapacity), but will not accrue Pensionable Service and will not be required to contribute to the Plan. On his or her return to work, the two periods of Pensionable Service will be treated as continuous (but excluding the duration of the break)

If the Member's absence from work is due to family leave, Rule 11.2 (family leave) will apply. Rule 3.2.4 (other special cases) may also apply.

11.2 Family leave

In this Rule 11.2, references to maternity, paternity and adoption leave, and the parental and shared parent leave, mean the same as in the Employment Rights Act 1996.

Ordinary family leave

A Member will be treated as still in Service during any period of ordinary maternity, paternity or adoption leave.

Members who receive pay from their Employer for these periods must pay contributions on the amount received. Members who receive no pay do not have to pay contributions. A Member's benefits for these periods will, in any event, be calculated as if the Member had worked normally and received the normal pay for doing so.

Additional paid family leave

Members will also be treated as still in Service during any other period for which they receive pay from their Employer and which, for the purposes of Schedule 5 to the Social Security Act 1989 (equal treatment for men and women), is a period of maternity, paternity, adoption or shared parental leave, adoption leave, or absence from work for other family reasons.

In each case, the Member must pay contributions on the pay received.

In the case of paid maternity, paternity, adoption and shared parental leave, the Member's benefits will be calculated as if he or she had worked normally and received the normal pay for doing so.

In the case of any other period of paid family leave, the Member's benefits will be based on the pay received, unless the Employer and the Trustees agree other terms that are no less favourable to the Member.

Additional unpaid family leave

Members will normally be treated as having left Service at the start of any period of unpaid additional maternity, paternity or adoption leave, shared (or other) parental leave or absence from work for other family reasons. However:

11.2.1 the Principal Employer may agree to treat a Member as still in Pensionable Service, for some or all purposes of the Digital Section of the Plan in which case they will also agree terms to apply to the Member's contributions (if any) and benefits for the period;

11.2.2 if the Member returns to work and rejoins the Digital Section of the Plan at the end of the period (including if the period is parental leave or absence for other family reasons), the Member's Pensionable Service before being treated as having left Service and after rejoining the Plan will be treated as continuous (but excluding the break);

11.2.3 if a Member dies during a period of additional maternity, paternity or adoption leave, or shared parental leave, Rules 6 (lump sum payable on Member's death) and 7 (pension for Spouses and children) will apply as if the Member had returned to work immediately before dying;

11.2.4 if a Member is unable to return to work because of Incapacity at the end of maternity, paternity or adoption leave, or shared parental leave, Rule 4.4 (early retirement through Incapacity) will apply as if the Member had left Service because of Incapacity on the date when they would otherwise have returned to work.

12 General rules about pensions

12.1 Payment of pensions

Pensions are payable monthly in advance, except that the Trustees may pay small pensions less often. Where pensions are payable in advance, no part repayment is necessary on the pensioner's death for the month in which he or she died.

12.2 Pension increases

12.2.1 Dates of increases

Any increases to pensions will take effect each year on a date decided by the Trustees. The intervals between increases will not exceed 12-months.

12.2.2 Rates of increases

Any part of a pension in payment that is attributable to Pensionable Service on or after 1 July 2005 will increase in each year by the lower of:

(i) 2.5% per annum; or

(ii) the increase in the retail prices index over a 12-month period ending on 31 January.

However, any part of a pension in payment that is attributable to Pensionable Service between 6 April 1997 and 1 July 2005 will instead increase by the lower of:

(a) 5% per annum; or

(b) the increase in the retail prices index over a 12 month period ending on 31 January.

However, it may be that a Member has paid additional contributions under Rule 3.2.2 (additional contribution for a 5% LPI Member). If so, the above increase applying to Pensionable Service between 6 April 1997 and 1 July 2005 will also apply to a pension in payment attributable to such periods of Pensionable Service after 1 July 2005.

In the case of a Member who joined the Plan before 6 April 1997, any Member's pension under Rule 4.4 (early retirement through Incapacity) and any pensions payable on a Member's death in Service will be treated as attributable to Pensionable Service on and after 6 April 1997, except to the extent that they are attributable to actual Pensionable Service before that date.

If an interval between increases is less than 12 months, the increase will be an appropriate proportion of the full increase described above.

12.2.3 GMPs in payment

Where a GMP is payable, the increase described above will apply only to the pension in excess of the GMP. The part of the GMP that is attributable to earnings for the tax years from 1988-89 to 1996-97 will increase in each year by the percentage specified in any order made by the Secretary of State under Section 109 of the Pension Schemes Act 1993 (which is approximately equal to the percentage rise in the cost of living in each year, with a maximum of 3% a year). The remainder of the GMP will not increase.

12.2.4 Review of pensions

Pensions will be reviewed by the Principal Employer at least annually and may be further increased by such amount and at such times as the Principal Employer decides, acting on actuarial advice.

12.2.5 Pensions to which this Rule does not apply

Increases under this Rule 12.2 do not apply to any pension or part of a pension which is derived from additional voluntary contributions (including under Rule 3.3.2 (Additional Final Salary AVCs)), provided under Rule 4.5 (additional benefits), provided under General Rule 7.3 (discretionary benefits), or provided under General Rule 11.1 (transfers from other pension schemes and arrangements). Those pensions will increase in accordance with the terms on which they were granted. However, increases on Additional Final Salary AVCs shall apply to pensions accrued in respect of Pensionable Service after 5 April 1997 and prior to 1 November 2005, in accordance with the court order dated 31 October 2013.

13 Special provisions for certain Members

13.1 Members who left Service before the date of this deed

The benefits for Members who left Service before the date of this deed (and the benefits payable on their death) will be as described in the provisions of the Plan in force previously from time to time. However, the benefits will be paid as described in these Rules, and Rule 6.5 (payment of lump sum death benefits) and the General Rules will apply in place of any corresponding previous provisions of the Plan. In particular, General Rule 5.5 (tax status of the Plan) will apply so that, if the Trustees would otherwise be required to make a payment that would be "unauthorised" by virtue of Section 160 of the Finance Act 2004, the payment will be treated as discretionary and will not be made unless the Trustees and the Principal Employer agree otherwise (which they need not do).

13.2 Members who have worked part time

This Rule 13.2 applies when calculating benefits for Members who have worked part time during any period of Pensionable Service. The aim is to provide benefits for part-time work that are proportionate to the corresponding benefits for full-time work. The benefits relating to part-time employment will be calculated as set out below unless the Principal Employer determines otherwise.

13.2.1 Calculation of Pensionable Service

Pensionable Service is equal to:

(A/37.5) x B

where: A = the actual hours worked per week as a part-time employee; and

B = the actual period in years and months of the Member's Pensionable Service whilst he or she worked as a part-time employee.

It may be that the actual hours worked per week as a part-time employee differ for separate periods of employment. If so, separate calculations shall be made in respect of each such period and the aggregate of the results of each such calculation shall be used for the purpose of determining total Pensionable Service.

13.2.2 Calculation of Pensionable Salary

Pensionable Salary (for the purpose of Rule 13.2.3 (Member contributions) and calculating Final Pensionable Salary only) is equal to:

(37.5/A) x C

less an amount equal to 1½ times the annual basic State pension for a single person determined in accordance with the definition of "Pensionable Salary" under Rule 1 (meaning of words used).

where: A = the actual hours worked per week whilst the Member worked as a part-time employee; and

C = the Member's annual rate of basic salary whilst the Member worked as a part-time employee.

13.2.3 Member contributions

For the purposes of Rule 3.2 (contributions by Members) and Rule 3.3.2 (Additional Final Salary AVCs), Pensionable Salary is equal to:

(A/B) x Pensionable Salary adjusted in accordance with Rule 13.2.2 (calculation of Pensionable Salary)

where: A = the actual hours worked per week whilst the Member worked as a part-time employee; and

B = 37.5.

13.2.4 Prospective service

Where prospective service is used in the calculation of a benefit under these Rules, such as in Rule 4.4 (early retirement through Incapacity) and Rule 7.4 (Member dies in Service), the Trustees will calculate these benefits as they consider appropriate after taking account of the number of hours a week worked by the Member from time to time.

13.3 Members who joined the Digital Pension Plan before 1 July 1988

It may be that a Member's Pensionable Service under the Digital Pension Plan started before 1 July 1988 and was continuous to 1988. If so, the calculation of the Member's pension under Rule 4.1 (normal retirement) will be increased such that each complete year of Pensionable Service (plus an additional proportion for each additional complete month) attributable to the Member's continuous Pensionable Service under the Digital Pension Plan before 1 July 1988 will be at an annual rate equal to 1/50th of Final Pensionable Salary.

13.4 Members who transferred from the Digital Pension Plan on 1 October 2006

Benefits will be provided under the Digital Section for and in respect of anyone for whom a transfer payment was made from the Digital Pension Plan to the Digital Section on 1 October 2006. Subject to Rule 13.1 (Members who left Service before the date of this deed) and the paragraph below, their benefits are as described in the Digital Section of these Rules.

Benefits for or in respect of Members who were deferred or pensioner members of the Digital Pension Plan immediately before 1 October 2006 will be the same (in amount terms and options) as would have otherwise been provided under the Digital Pension Plan in respect of that person. However, the benefits will be paid as described in these Rules, and Rule 6.5 (payment of lump sum death benefits) and the General Rules of the Plan will apply in place of any corresponding previous provisions of the Digital Pension Plan. In particular, General Rule 5.5 (tax status of the Plan) will apply so that, if the Trustees would otherwise be required to make a payment that would be "unauthorised" by virtue of Section 160 of the Finance Act 2004, the payment will be treated as discretionary and will not be made unless the Trustees and the Principal Employer agree otherwise (which they need not do).

13.5 Minimum pension in respect of contracted-out Service

13.5.1 Amount of minimum pension

The minimum pension referred to in Rule 4.1 (normal retirement) and Rule 7.1 (Spouse's pension) is a pension equal to:

(i) for Pensionable Service completed before 6 April 1997, any GMP that the Plan is required to provide for the Member or Spouse (as appropriate) under the Contracting-out Laws; and

(ii) for Pensionable Service completed on or after 6 April 1997, 1/80th (in respect of the Member's pension) and 1/160th (in respect of the Spouse's pension) of the Member's Average Qualifying Earnings for each complete year of the Member's contracted-out Pensionable Service on and after 6 April 1997 plus an additional proportion for each additional complete month (up to a maximum of 40 years).

Note: With effect from 6 April 2016, Pensionable Service in the Digital Section is no longer contracted out.

13.5.2 Meaning of "Average Qualifying Earnings"

For the purpose of this Rule 13.5, "**Average Qualifying Earnings**" means qualifying earnings averaged over the last 3 tax years before the Member leaves Service or dies, whichever occurs first; and "**qualifying earnings**" means the same as in Section 12B of the Pension Schemes Act 1993 (reference scheme) as it applied on 5 April 2016.

A Member's qualifying earnings for any tax year are broadly equal to 90% of the Member's earnings between the annual rate of the lower and upper earnings limits for National Insurance contributions for that tax year.

If the Member was not in Service for 3 years, Average Qualifying Earnings means qualifying earnings averaged over periods of complete tax years.

13.5.3 Revaluation, increases and early retirement reductions

Pension commences on or before Normal Pension Date

If the Member's pension commences immediately on leaving Service (or within 12 months of leaving Service) and before Normal Pension Date, his or her pension will be as described in Rule 13.5.1(ii), except that it will be multiplied by an early retirement factor (calculated by reference to Normal Pension Date) advised by an actuary and calculated on a basis certified by him in accordance with the actuarial assumptions set out in the Plan's Statement of Funding Principles ("**Early Retirement Factor**"). If, for any reason, no assumptions are set out in the Statement of Funding Principles, the actuary will set the assumptions.

If the Member's pension commences more than 12 months after leaving Service and on or before Normal Pension Date, the amount of the Member's pension described in Rule 13.5.1(ii) will be increased before payment as if the Revaluation Laws applied to it for the period between the Member leaving Service and the Member's retirement. The resulting pension (where the Member's pension commences before Normal Pension Date) will be multiplied by an Early Retirement

Factor. If, for any reason, no assumptions are set out in the Statement of Funding Principles, the actuary will set the assumptions.

These amounts will also be increased in payment under Rule 12.2 (pension increases) (ignoring any additional increase for 5% LPI Members).

Member dies before Normal Pension Date

If the Member dies before Normal Pension Date, the amount of the Spouse's pension described in Rule 13.5.1(ii) will be increased before payment (if the Member left Service before Normal Pension Date) as if the Revaluation Laws applied to it for the period between the Member leaving Service and the Member's death.

The pension in each case will then be increased in payment as follows:

(i) in accordance with the Revaluation Laws (or under Rule 12.2 (pension increases) (ignoring any additional increase for 5% LPI Members) if greater) for any period between the Member's death and the Member's Normal Pension Date; and

(ii) under Rule 12.2 (pension increases) (ignoring any additional increase for 5% LPI Members) for any period after the Member's Normal Pension Date.

Member dies on or after Normal Pension Date

If the Member dies on or after Normal Pension Date, the Spouse's pension described in Rule 13.5.1(ii) will be increased before payment (if the Member had left Service but his or her pension had not started) as if:

(i) the Revaluation Laws applied to it for any period between the Member's leaving Service and Normal Pension Date; and

(ii) Rule 12.2 (pension increases) (ignoring any additional increase for 5% LPI Members) had applied to it during any period between the Member's Normal Pension Date or leaving Service (whichever was later) and the Member's retirement or death.

The resulting Spouse's pension (or the Spouse's pension described in Rule 13.5.1(ii) where the pension is not increased before payment) will be increased in payment under Rule 12.2 (pension increases) (ignoring any additional increase for 5% LPI Members) after the Member's death.

13.5.4 Restriction of minimum Spouse's pension

The amount described in Rule 13.5.1(ii) will not be included in the minimum Spouse's pension if:

(i) the marriage or civil partnership took place after the Member started to receive a pension; or

(ii) the Spouse remarries or forms a civil partnership or is living together as husband and wife or civil partner with a person to whom he or she is not married and with whom he or she has no civil partnership.

13.5.5 Effect of minimum pension on other pensions

This Rule 13.5 does not affect the amount of any pension payable to a child or any other Dependant.

13.5.6 Contracting-out Laws

This Rule 13.5 will only operate to the extent it is compliant with the Contracting-out Laws.

Executed as a deed by
Hewlett-Packard Limited
acting by a Director in the presence of:

Witness's signature

Name MARK WILKINS

Address c/o HP Ltd, Cain Road,
Bracknell, RG12 1HN

Occupation Pensions Manager

Director: