

DATED 31 October 1994

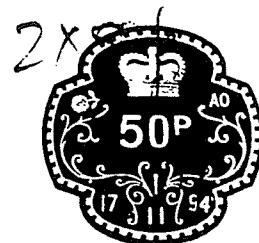
- (1) THE SECRETARY OF STATE
FOR TRADE AND INDUSTRY
- (2) MINEWORKERS' PENSION
SCHEME TRUSTEES LIMITED

DEED

relating to

**THE MINEWORKERS' PENSION SCHEME
UNDER PARAGRAPH 2(9) OF SCHEDULE 5
TO THE COAL INDUSTRY ACT 1994**

THIS DEED is made the 31st day of October 1994
BETWEEN



- (1) The Secretary of State for Trade and Industry ("the Secretary of State") and
- (2) Mineworkers' Pension Scheme Trustees Limited ("the Trustee")

WHEREAS:

- (1) the Mineworkers' Pension Scheme ("the Scheme") was established under the Coal Industry Nationalisation (Superannuation) Regulations 1950 on 1 January 1952 by a resolution of 25 October 1951 of the National Coal Board ("the Corporation") as a pension scheme for the benefit of employees of the Corporation and the name of the Corporation was changed to the British Coal Corporation by section 1(1) of the Coal Industry Act 1987;
- (2) the Scheme, as amended from time to time by resolutions of the Corporation and modified by the Mineworkers' Pension Scheme (Modification) Regulations 1994 ("the 1994 Regulations"), is in the terms set out in those Regulations;
- (3) the Trustee is the trustee of the Scheme;
- (4) paragraph 2(9) of Schedule 5 to the Coal Industry Act 1994 ("the 1994 Act") provides that the Secretary of State may, with the consent of the Treasury, enter into such arrangements as he may consider appropriate for guaranteeing or otherwise securing, in relation to any existing scheme, that the assets of the scheme are at all times sufficient for meeting the principal pension obligations and such other pension obligations under the scheme as are obligations to which he considers such arrangements should apply;

(5) the Scheme is an existing scheme within the meaning of Schedule 5 to the 1994 Act;

(6) for the purpose of securing that the assets of the Scheme are at all times sufficient for meeting the principal pension obligations and such other pension obligations under the Scheme as are referred to in recital (4) above the Secretary of State, with the consent of the Treasury, has agreed to enter into such arrangements as are set out in this Deed.

(7) Clause 39A of the Scheme provides that the Trustee shall have power to enter into such arrangements with the Secretary of State as are mentioned in recital (4) above and the Trustee in the exercise of that power has agreed to enter into this Deed.

NOW THIS DEED WITNESSES as follows -

Covenants by the Secretary of State

1.1 The Secretary of State covenants with the Trustee that if at any time the Actuary shall issue to the Secretary of State a certificate in writing

- (a) under clause 18B(4)(b)(II) of the Scheme certifying
 - (i) that a periodic actuarial review of the Guaranteed Fund as at the date specified in the certificate discloses a deficiency in the Guaranteed Fund of the amount so specified,
 - (ii) that the amount required in accordance with clause 18B(4)(b)(II) of the Scheme to be transferred to the Guaranteed Fund from the Investment Reserve to meet such deficiency has been so transferred, that an amount is so required to be so transferred from the Bonus Augmentation Fund and from the Guarantor's Fund and that each of the amounts is as so specified, and

- (iii) that the balance in the Guarantor's Fund is of the amount so specified and is less than the balance in the Bonus Augmentation Fund by an amount as so specified;
- (b) under clause 18B(4)(b)(I) of the Scheme certifying
 - (i) that a periodic actuarial review of the Guaranteed Fund as at the date specified in the certificate discloses a deficiency in the Guaranteed Fund of the amount so specified,
 - (ii) that the amount required in accordance with clause 18B(4)(b)(I) of the Scheme to be transferred to the Guaranteed Fund from the Investment Reserve to meet such deficiency has been transferred and that the amount is as so specified, and
 - (iii) that the amount of the deficiency in the Guaranteed Fund after the amount referred to in paragraph 1.1(b)(ii) above has been transferred to it is as so specified;
- (c) under clause 18B(4)(b)(II) and clause 18B(4)(f) of the Scheme certifying
 - (i) that a periodic actuarial review of the Guaranteed Fund as at the date specified in the certificate discloses a deficiency in the Guaranteed Fund of the amount so specified,

- (ii) that the amounts required in accordance with clause 18B(4)(b)(II) and clause 18B(4)(e) of the Scheme to be transferred to the Guaranteed Fund from the Investment Reserve, the Bonus Augmentation Fund and the Guarantor's Fund to meet such deficiency have been transferred and that each of the amounts is as so specified, and
 - (iii) that the amount of the deficiency in the Guaranteed Fund after all the amounts referred to in paragraph 1.1(c)(ii) above have been transferred to it is as so specified;
- (d) under clause 18B(5) of the Scheme certifying
- (i) that an actuarial review of the Bonus Augmentation Fund as at the date specified in the certificate discloses that the assets of the Bonus Augmentation Fund are insufficient to secure the payment of the Crystallised Augmentations which at that date are a liability of the Bonus Augmentation Fund and that the amount of the deficiency is as so specified and has become a liability of the Crystallised Augmentation Fund,
 - (ii) that the amounts required in accordance with clause 18B(5) of the Scheme to be transferred to the Crystallised Augmentation Fund from the Investment Reserve and from the Guarantor's Fund to secure the payment of the Guaranteed Crystallised Augmentations which at the date mentioned in paragraph 1.1(d)(i) above are a liability of the Crystallised Augmentation Fund have been transferred and that each of the amounts is as so specified, and

- (iii) that the amount of the deficiency in the Crystallised Augmentation Fund after the amounts referred to in paragraph 1.1 (d)(ii) above have been transferred to it is as so specified;
- (e) under clause 40(4) of the Scheme certifying
 - (i) that the valuation of the Scheme Fund as at the Termination Date discloses that the assets of the Guaranteed Fund are insufficient to secure the payment of the Guaranteed Liabilities and that the amount of the deficiency is as specified in the certificate,
 - (ii) that the amount required in accordance with clause 40(4)(d) of the Scheme to be transferred to the Guaranteed Fund from the Investment Reserve to meet such deficiency has been so transferred, that an amount is so required to be so transferred from the Bonus Augmentation Fund and from the Guarantor's Fund and that each of the amounts is as so specified, and
 - (iii) that the balance in the Guarantor's Fund is of the amount so specified and is less than the balance in the Bonus Augmentation Fund by an amount as so specified;
- (f) under clause 40(4) of the Scheme certifying that a determination made by the Actuary in accordance with clause 40(4)(e) of the Scheme as at the Termination Date discloses that the assets of the Bonus Augmentation Fund are insufficient to secure the payment of the Crystallised Augmentations which at that date are a liability of the Bonus Augmentation Fund and that the amount of the deficiency is as specified in the certificate;

- (g) under clause 40(4) of the Scheme certifying
- (i) that the valuation of the Scheme Fund as at the Termination Date discloses that the assets of the Guaranteed Fund are insufficient to secure the payment of the Guaranteed Liabilities and that the amount of the deficiency is as specified in the certificate,
 - (ii) that the amounts required in accordance with clause 40(4)(d) of the Scheme to be transferred to the Guaranteed Fund from the Investment Reserve, the Bonus Augmentation Fund and the Guarantor's Fund to meet such deficiency have been transferred and that each of the amounts is as so specified, and
 - (iii) that the amount of the deficiency in the Guaranteed Fund after all amounts referred to in paragraph 1.1(g)(ii) above have been transferred to it is as so specified;

the Secretary of State shall pay to the Trustee in the manner specified in paragraph 1.2 below, in the case of a payment made in relation to a certificate referred to in paragraph 1.1 (a) or (e) above, an amount to enable the Trustee to eliminate the amount specified in the certificate as the amount by which the balance in the Guarantor's Fund is less than the balance in the Bonus Augmentation Fund and, in the case of a payment made in relation to a certificate referred to in paragraph 1.1(b), (c), (d), (f) or (g) above, an amount to enable the Trustee to eliminate the amount specified in the certificate as the amount of the deficiency in the Guaranteed Fund, the Crystallised Augmentation Fund or the Bonus Augmentation Fund as the case may be.

1.2 The amount to be paid by the Secretary of State to the Trustee in relation to a certificate referred to in paragraph 1.1(a), (b), (c) or (d) above shall be paid by ten equal annual instalments of such amounts as shall be specified by the Actuary in the certificate to

which the payment relates as equivalent in value to the amount to be so paid the first of which shall be paid on 1 October next following the date of receipt by the Secretary of State of the certificate. The amount to be paid by the Secretary of State to the Trustee in relation to a certificate referred to in paragraph 1.1(e), (f), or (g) above shall be paid within the period of 28 days following the date of receipt by the Secretary of State of the certificate.

1.3 When making any payment to the Trustee under this Deed the Secretary of State shall submit to the Trustee a copy of the certificate to which the payment relates.

Covenants by the Trustee

2. The Trustee covenants with the Secretary of State that on receipt of any payment made by the Secretary of State to the Trustee under this Deed the Trustee shall forthwith credit such payment to the Guarantor's Fund if it is made in relation to a certificate referred to in paragraph 1.1(a) or (e) above, to the Guaranteed Fund if it is made in relation to a certificate referred to in paragraph 1.1(b), (c) or (g) above, to the Crystallised Augmentation Fund if it is made in relation to a certificate referred to in paragraph 1.1(d) above and to the Bonus Augmentation Fund if it is made in relation to a certificate referred to in paragraph 1.1(f) above.

3. The Trustee covenants with the Secretary of State that the Trustee shall itself, or shall secure that the Committee of Management shall, at all times secure compliance with the provisions of clause 18B(4)(a) of the Scheme, in so far as those provisions require that an amount derived from a surplus in the Guaranteed Fund be transferred to the Investment Reserve or to the Guarantor's Fund, and with the provisions of clause 18B(3)(i) of the Scheme.

4. The Trustee covenants with the Secretary of State that where, under the terms of the Scheme, the Trustee or the Committee of Management is required to do anything at

the direction of the Secretary of State or not to do anything without the approval or consent of the Secretary of State or to supply information to the Secretary of State the Trustee shall comply or, as the case may be, shall secure that the Committee of Management shall comply with such requirement.

Amendment of the Scheme

5. The Secretary of State and the Trustee covenant with each other that if clause 18B or clause 40 of the Scheme is amended by the Secretary of State in accordance with clause 37 of the Scheme the Secretary of State and the Trustee shall enter into such deed amending this deed and do all such other things as shall be necessary to secure that this deed shall remain in force and have the same effect as it had before the Scheme was so amended.

Appointment of New Trustee

6. The Secretary of State and the Trustee covenant with each other that on the appointment of a new trustee of the Scheme in place of the Trustee the Secretary of State and the Trustee shall, and the Secretary of State shall secure that the new trustee shall, enter into such deed, agreement or other arrangements and do all such other things as shall be necessary to secure that all the provisions of this Deed (including for the avoidance of doubt the provisions of this paragraph 6) as amended from time to time shall have effect as if this Deed had been entered into between the Secretary of State and the new trustee.

Interpretation

7. In this Deed the expression "the principal pension obligations" shall have the meaning assigned to it for the purposes of paragraph 2 of Schedule 5 to the 1994 Act by paragraph 2(16) of that Schedule and the following expressions shall have the meanings assigned to them by the Scheme -

"the Actuary";
"Bonus Augmentation Fund";
"Committee of Management";
"Crystallised Augmentation Fund";
"Crystallised Augmentations";
"Guaranteed Crystallised Augmentations";
"Guaranteed Fund";
"Guaranteed Liabilities";
"Guarantor's Fund";
"the Investment Reserve";
"Termination Date".

Governing Law

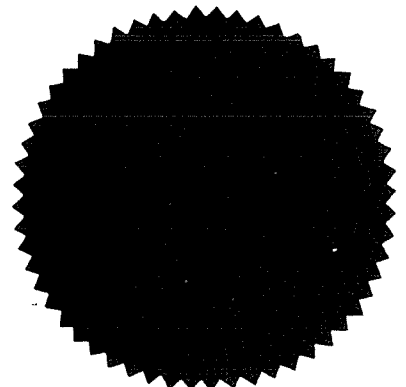
8. This Deed shall be governed by and construed in accordance with English law.

IN WITNESS whereof this Deed has been executed by the parties hereto the day and year first above written.

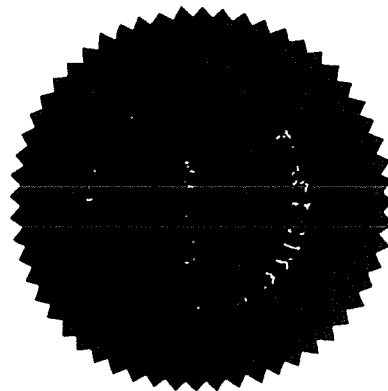
The corporate seal of the
Secretary of State for Trade and
Industry hereunto affixed is authenticated by:-

P. Layhead

An official in the Department of
Trade and Industry authorised in that behalf



The common seal of Mineworkers'
Pension Scheme Trustees Limited
was hereunto affixed in the presence
of:-



A handwritten signature in black ink, appearing to be 'Tawa' or similar, written over a horizontal line.

Director

A handwritten signature in black ink, appearing to be 'STP' followed by a stylized name, written over a horizontal line.

Secretary/Director